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Project Title	Agency Priority	Funding Source	Agency Request			Governor's Rec	Governor's Planning Estimates	
			2008	2010	2012	2008	2010	2012
Flood Hazard Mitigation Grants	1	GO	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Dam Repair / Reconstruction / Removal	1	GO	3,000	3,000	3,000	2,000	2,000	2,000
Ground Water Monitoring, Observation Wells	1	GO	1,000	1,000	1,000	1,000	1,000	1,000
Wildlife Area Acquisition and Improvement	2	GO	20,000	20,000	20,000	10,000	10,000	10,000
Forest Land Conservation Easements	2	GO	20,000	20,000	20,000	9,000	9,000	9,000
Shoreline & Aquatic Habitat Acquisition (AMA)	2	GO	10,000	10,000	10,000	1,000	1,000	1,000
State Forest Land Reforestation	2	GO	6,000	6,000	6,000	3,000	3,000	3,000
Native Prairie Conservation and Protection	2	GO	5,000	5,000	5,000	3,000	3,000	3,000
RIM Critical Habitat Match	2	GO	5,000	2,000	2,000	3,000	3,000	3,000
SNA Acquisition and Development	2	GO	2,000	7,000	7,000	1,000	1,000	1,000
Fish Hatchery Improvements	2	GO	2,000	2,500	2,500	1,000	1,000	1,000
State Forest Land Acquisition	2	GO	2,000	7,000	7,000	0	0	0
Stream Protection and Restoration	2	GO	2,000	3,000	4,000	0	0	0
Water Control Structures	2	GO	1,000	1,000	1,000	500	500	500
Community Conservation Assistance	2	GO	1,000	1,000	1,000	0	0	0
State Trail Rehabilitation, Repair and Acquisition	3	GO	15,000	26,000	32,000	3,000	3,000	3,000
State Park Recreational Facility Improvements	3	GO	12,000	20,000	20,000	0	0	0
Water Access Acquisition, Dev and Fishing Piers	3	GO	10,000	10,000	15,000	1,000	1,000	1,000
State Park Development on North Shore	3	GO	8,000	5,000	5,000	0	0	0
State Park Rehabilitation & Development	3	GO	3,000	6,000	6,000	10,000	10,000	10,000
Cuyuna Country SRA Enhancements	3	GO	2,000	0	0	0	0	0
Iron Range OHV Recreation Area	3	GO	2,000	0	0	0	0	0
Off-Highway Vehicle Rec Area	3	GO/UF	2,000	0	0	0	0	0
Vermilion State Park Acquisition & Development	3	GO/UF	0	0	0	0	0	0
Reinvest for Energy Efficiencies	4	GO	10,000	10,000	9,999	0	0	0
Drill Core Library and Field Office Consolidation, Renovation	4	GO	5,000	10,000	9,999	1,000	0	0
Bell Museum of Natural History	4	GO	4,000	0	0	0	0	0
Statewide Asset Preservation	4	GO	2,000	4,000	4,000	2,000	2,000	2,000
Forest Roads and Bridges	4	GO	2,000	4,000	4,000	1,000	1,000	1,000

Project Total	\$172,000	\$198,500	\$210,498	\$67,500	\$66,500	\$66,500
General Obligation Bonding (GO)	\$170,000	\$198,500	\$210,498	\$67,500	\$66,500	\$66,500
User Finance Bonding (UF)	\$2,000	\$0	\$0	\$0	\$0	\$0

<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

Minnesota has approximately 51 million total land acres.

#### Public Lands and Waters Administered by DNR

- ◆ 5.5 million acres of land owned by the state of Minnesota, including 4.8 million acres of state-administered forest land
- ◆ 12 million acres of land managed for mineral rights
- ◆ Eight million acres of surface rights and mineral rights managed for horticultural peat, industrial minerals, and construction materials
- ◆ 58 State Forests
- ◆ 11,842 lakes
- ◆ 69,000 miles of rivers and streams

#### Facilities Administered by DNR

- ◆ 66 State Parks and seven State Recreation Areas
- ◆ 1,575 state water accesses
- ◆ More than 1.2 million acres of Wildlife Management Areas and 37,294 acres of Aquatic Management Areas
- ◆ 144 Scientific and Natural Areas
- ◆ Over 3,400 miles of canoe and boating routes plus 155 miles of Lake Superior Kayak Trail
- ◆ 1,288 miles of multi-use state trails and 536 miles of state bicycle trails
- ◆ 1,066 miles of cross country ski trails (DNR & Grant-in-Aid)
- ◆ 1,708 miles of off-highway vehicle trails (DNR & Grant-in-Aid)
- ◆ 21,635 miles of snowmobile trails (DNR & Grant-in-Aid)

#### Agency Purpose

The Minnesota Department of Natural Resources (DNR) “works 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.”

#### Core Functions

The DNR is charged in statute to provide opportunities for hunting and fishing, other recreational opportunities, and economic development, as well as to preserve important features of our natural heritage. Multiple interests must be managed in order to protect the long-term sustainability of our natural resources while meeting the economic and recreational needs of Minnesota citizens.

#### Key DNR Policy Principles:

- ◆ Protect the long-term health of the state’s natural resources;
- ◆ Deliver sustainable levels of products and services that support Minnesota’s natural resources-based economies;
- ◆ Provide a variety of outdoor recreation opportunities for Minnesota’s citizens; and
- ◆ Guard the integrity of dedicated funds and ensure financial accountability.

These management principles guide DNR’s work:

- ◆ Conserve and Manage the states natural resources;
- ◆ Provide for sustainable economic use of our natural resources; place immediate focus on enhancing the state’s forest-based economy;
- ◆ Provide access to Minnesota’s natural resources;
- ◆ Promote increased participation in outdoor recreation by removing constraints through improved access, safety, availability, education, marketing, and partnerships/coalitions;
- ◆ Cooperate with other agencies, local units of government, citizens, and stakeholders to manage and sustain natural resources effectively;
- ◆ Enhance communication and working relationships with core natural resource constituents, with particular attention to hunters and anglers;
- ◆ Model the sustainable use of natural resources and energy efficiency in our work;
- ◆ Make resource and land use decisions at the local level; and
- ◆ Communicate our work in terms of measurable outcomes.

## 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 of 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, eight operating divisions, and four support bureaus. Staff work out of 182 field offices that are located statewide.

- ◆ Lands and Minerals Division manages agency real estate transactions and promotes, regulates, and provides expertise on mineral exploration, mining, and mine land reclamation.
- ◆ Waters Division regulates all phases of the hydrologic cycle, including managing impacts on wetlands, lake, river, and groundwater phases of the hydrologic cycle.
- ◆ Forestry Division protects citizens and property from wildfire and strives for the sustainable yield of timber resources for forest products while managing state forests for wildlife habitat and recreation.
- ◆ Parks & Recreation Division operates a system of state park and forest campgrounds that conserves and manages natural, scenic and cultural resources, and offers opportunities for recreation and education.
- ◆ Trails and Waterways Division provides public access to lakes, rivers and streams; designates boating routes; and maintains a statewide network of recreation trails.
- ◆ Fish and Wildlife Division conserves and enhances the state's fish and wildlife populations and their supporting habitats through regulation, restoration, research, monitoring, and education.
- ◆ Ecological Resources Division works to advance healthy, resilient ecosystems through research on native plant and animal communities, regulation and environmental review; provides extensive public information; and maintains the state's Scientific and Natural Areas.
- ◆ Enforcement Division enforces laws related to game and fish; wetlands; aquatic plants; and the operation of watercraft, snowmobiles, all-terrain vehicles (ATVs) and other recreational vehicles; and provides a series of conservation and safety education programs.

- ◆ Operations Support includes the Commissioner's Office, four bureaus and regional operations that provide administrative leadership and support services to all DNR divisions and geographic regions (northwest, northeast, central and southern) as well as provide direct services to the public.

## Budget

Direct, open, and statutory appropriations total \$697 million for the FY 2008-09 biennium: 35 percent is from the general fund, 27 percent from the game and fish fund, 23 percent from the natural resources fund, six percent from federal funds, and the remaining from other funding sources.

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

- ◆ Provide for the conservation of, and citizen access to, our natural resources
- ◆ Provide for the sustainable economic use of our natural resources
- ◆ Provide for the sustainable recreational use of our natural resources
- ◆ Protect the health and safety of Minnesota citizens
- ◆ Preserve and rehabilitate department capital assets and incorporate energy technologies that advance conservation goals

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 responsible for 94 percent of all state-owned land administered by state agencies. This includes ownership of 12 million acres in mineral rights and 5.5 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.

DNR creates safe opportunities for sustainable, economic use of natural resources. We work with other public agencies to provide wildfire protection to billions of dollars worth of private and public timber as well as other property across the state on 45 million acres of land. DNR develops and disseminates information on outdoor recreational opportunities. We provide assistance to local government, organizations, and individuals on natural resource issues, such as forest management, wildlife habitat improvement, and trail development.

DNR regulates activities associated with hunting, trapping, and fishing, motorized recreation, mining, public waters, and shoreland development. We permit and license private game farms, fish hatcheries, and open burning.

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

Through its **Strategic Conservation Agenda**, DNR identifies critical trends that directly affect natural resources and the demand for DNR facilities, capital programs, and services. These trends require action to prevent significant natural resource degradation, meet citizen expectations, and avoid future problems and associated expenses.

- ◆ **Prairie Wetland Habitats:** In the prairie region of Minnesota, less than ten percent of its wetlands and less than one percent of its native grassland remain from pre-settlement times. Continued loss and degradation of valuable prairie and wetland complexes will be a significant impediment to efforts to sustain critical habitat and water resources, as well as restore healthy waterfowl and other populations.
- ◆ **Changing Forest Ownership Patterns:** Private forestlands are being sold and developed at a rapid rate. Since 1999, over 400,000 acres of Minnesota's industrial forestland has been subdivided and sold. Private forestlands are being divided into smaller and smaller tracts, reducing forest habitat quality and recreational opportunities, decreasing access for timber harvesting, and increasing wildfire risks. Nearly one million acres of large, mostly undeveloped private forest remain at risk of being sold and converted into smaller parcels.
- ◆ **Changing participation rates and types of outdoor recreation:** Recreation provides an important connection between Minnesotans and natural resource stewardship. The percentage of Minnesotans who participated in fishing, hunting, and wildlife watching declined between 1991 and 2001, particularly among young and urban residents. As demand for various recreational opportunities changes, so must DNR efforts to provide and balance recreational opportunities while ensuring conservation of Minnesota's lands and waters.
- ◆ **Shoreland Development:** The number of homes per lakeshore mile in Minnesota has grown dramatically in the last several decades. Even more are expected as baby boomers retire. Development and removal of lakeshore vegetation can degrade lake water quality, diminish fish and wildlife populations, and limit recreation.

- ◆ **Clean Water and Sustainable Use:** The health of Minnesota's freshwater habitats is threatened by physical and chemical changes from many causes. As of 2006 there were 284 rivers and streams and 1,013 lakes impaired by one or more pollutants. Furthermore, a rapidly growing population, increased water consumption rates, emerging water demands, and other factors challenge our ability to maintain adequate water supplies for Minnesota's people and habitats. Between 1990 and 2000, water use grew almost twice as fast as population. Population will grow another 11 percent by 2010. We must act strategically to clean up impaired waters and ensure sustainable water use to meet the needs of an expanding and increasingly water demanding population.
- ◆ **Habitat Protection in Urban Areas.** Population is growing in urban and suburban areas and development pressures are intense. In the greater Twin Cities metropolitan area, nearly 60 acres of undeveloped land is converted to other land uses every day. Current patterns of low-density development threaten remaining habitats by fragmenting areas into smaller and smaller parcels that cannot sustain healthy wildlife populations. In the face of such growth pressures, the protection and restoration of undeveloped lands is essential to conserve the many benefits of natural habitats that contribute to quality of life and economic stability.
- ◆ **Renewable Energy Use:** In 2007 Minnesota led the nation by setting the goal of using renewable energy sources to provide 25 percent of its electricity by 2025. Expanding renewable energy use will require aggressive adoption of existing technologies as well as development and implementation of new technologies. Technologies and practices that are implemented well can also help achieve conservation goals. For instance, perennial energy crops for biomass and biofuel production could improve water quality, store carbon, and provide additional wildlife habitat.

#### **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 forests. The land the DNR 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 state parks, wildlife management areas, forests, and other 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.

DNR has 188 different work sites located throughout the state, and we maintain 2,568 buildings, ranging from vault toilets to complex office buildings housing more than 100 people. In addition to office, workspace, and storage facilities, DNR provides a variety of buildings for public use, such as cabins, fish cleaning houses, picnic shelters, and trail centers. DNR's building inventory covers 2.9 million square feet. Nearly one-third of our buildings are 50 years old or older. In other words, 28 percent of the physical plant is beyond its design life. Only 25 percent 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 DNR make significant progress in correcting many serious facility repair problems. We have not, however, kept pace with the rate at which facility deterioration is occurring, and we continue to face many serious problems.

Both extensive and intensive use of DNR buildings and facilities infrastructure necessitate continuous efforts in repair and maintenance. For example, larger and more powerful boats require updated public water access sites. Logging and recreational traffic on forest roads and bridges and intense use of park campsites and facilities result in the need for ongoing maintenance and repairs.

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

The 2008 Capital Budget request was developed using an interdisciplinary approach. Staff from all major programs and from DNR's four Regional Management Teams developed their highest priorities for the capital budget, building off of the department's *Strategic Conservation Agenda*. DNR Senior Managers met to review and discuss all priorities and potential funding levels, and the Commissioner made final decisions.

DNR identified four priority themes where capital investment can contribute to achieving the DNR's strategic goals:

**Health and Safety: protect the health and safety of Minnesota citizens**

- ◆ Flood Hazard Mitigation Grants
- ◆ Dam Repair / Reconstruction / Removal
- ◆ Groundwater Monitoring, Observation Wells

**Conservation: provide for conservation of our natural resources**

- ◆ Native Prairie Conservation and Protection
- ◆ Stream Protection and Restoration
- ◆ Scientific and Natural Areas Acquisition and Development
- ◆ Wildlife Area Acquisition and Improvement
- ◆ RIM Critical Habitat Match
- ◆ Water Control Structures
- ◆ Shoreline and Aquatic Habitat- AMA
- ◆ Fish Hatchery Improvements
- ◆ State Forest Land Reforestation
- ◆ Forest Land Conservation Easements
- ◆ State Forest Land Acquisition
- ◆ Community Conservation Assistance

**Outdoor Recreation: provide for sustainable recreational use**

- ◆ Vermillion State Park Acquisition and Development
- ◆ State Park Recreational Facility Improvements
- ◆ State Park and Recreation Area Acquisition and Restoration
- ◆ State Park Development on North Shore
- ◆ Cuyuna Country State Recreation Area Enhancements
- ◆ Water Access Acquisition, Development, and Fishing Piers

- ◆ State Trail Acquisition, Rehabilitation and Repair
- ◆ Off-Highway Vehicle Recreation Area (Revenue Bond)
- ◆ Iron Range OHV Recreation Area
- ◆ Walk-In Access Program
- ◆ Vermilion State Park Development

**Assets: preserve, rehabilitate, and improve capital assets**

- ◆ Forest Roads and Bridges
- ◆ Field Office Consolidation and Renovation
- ◆ Reinvest for Energy Efficiencies
- ◆ Bell Museum of Natural History
- ◆ Statewide Asset Preservation

**Capital Projects Authorized in 2006**

DNR received funding in the 2006 bonding bill for the following projects:

- ◆ Statewide Asset Preservation
- ◆ Flood Hazard Mitigation Grants
- ◆ Dam Renovation and Removal
- ◆ Stream Protection and Restoration
- ◆ Water Access Acquisition, Betterment, and Fishing Piers
- ◆ Lake Superior Safe Harbors
- ◆ Fisheries Acquisition and Improvement
- ◆ Fish Hatchery Improvements
- ◆ Wildlife Management Area Acquisition and Improvement
- ◆ Water Control Structures
- ◆ Native Prairie Bank Easements and Development
- ◆ Scientific and Natural Areas Acquisition and Development
- ◆ State Forest Land Acquisition
- ◆ Large Scale Forest Land and Forest Legacy Conservation Easements
- ◆ State Forest Land Reforestation
- ◆ State Park and Recreation Area Acquisition
- ◆ State Park Infrastructure Rehabilitation and Natural Resource Restoration
- ◆ State Park Building Construction and Rehabilitation
- ◆ State Park Camper Cabins

- ◆ State Trail Acquisition and Development
- ◆ Regional Trails
- ◆ Trail Connections
- ◆ Metro Greenways and Natural Areas
- ◆ Local Initiative Grants
- ◆ Forest Roads and Bridges
- ◆ Prairie Wetlands Environmental Learning Center



Dam Repair / Reconstruction / Removal

2008 STATE APPROPRIATION REQUEST: \$3,000,000

AGENCY PROJECT PRIORITY: 1 of 29

PROJECT LOCATION: Statewide

Project At A Glance

- ◆ Repair or reconstruct deteriorating dams
- ◆ Remove or modify unsafe or obsolete river dams
- ◆ Respond to emergencies at public dams

Project Description

This request for \$3 million is to prepare design plans and specifications for rehabilitation of the high hazard Lake Bronson Dam in Kittson County, construct several dam safety projects at the top of the statewide priority list, and respond to dam safety emergencies.

Minnesota's public dams infrastructure includes over 800 dams owned by the state, counties, cities, and watershed districts. Most of these public dams are over 50 years old and require ongoing repairs 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 damages property. About ten percent of Dam Safety Program capital budget appropriations are generally reserved for emergencies. Any emergency funds remaining at the end of the two-year bonding cycle are used on high priority projects.

M.S. 103G.511 provides for matching grants to local governments for dam repair or reconstruction, and M.S. 103G.515, subd. 5, allows the state to pay the entire cost of removing hazardous dams under certain circumstances. Funding would be used to address emergencies and implement the highest priority projects on the current statewide dam project priority list prepared under M.S. 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 14 projects on the statewide dam safety projects priority list as of 6-1-2007 are shown in the following table. The requested \$3 million would provide \$2.7 million for these priority dam safety projects and \$300,000 for emergencies.

Project	Owner /County	Project Type	Primary Needs	Estimated State Cost (1000's)
1 Lake Bronson	DNR /Kittson County	Engineering	safety/maintain lake	\$400
2 King's Mill	County /Rice	Engineering	Safety/maintain flood	100
3 Clayton Lake	DNR /Pine	Repair	Safety/historic preservation	\$350
4 Windom	City /Cottonwood	Remove	Safety/river restoration	\$150
5 Cross Lake	DNR /Pine	Modify	Safety/river restoration	\$300
6 Hartley	City /St. Louis	Modify	Safety/maintain lake levels	\$250
7 Luverne	City /Rock	Remove	Safety/river restoration	\$150
8 Balsam Lake	DNR /Itasca	Repair	Safety/maintain levels	\$250
9 Pike River	DNR /St. Louis	Engineering	Safety/maintain lake levels	\$200
10 Drayton	City /Kittson	Remove	Safety/river restoration	\$200
11 Sunrise (P1)	DNR /Chisago	Modify	Safety	\$75
12 Sunrise (P2)	DNR /Chisago	Modify	Safety	\$75
13 Sunrise (Kost)	City /Chisago	Modify	Safety	\$50
14 Clearwater River	County /Stearns	Repair	Safety	\$150

Dam Repair / Reconstruction / Removal

**Previous Appropriations for this Project**

L2006, Ch. 258 Sec. 7	Bond	\$2,250,000
L2005, Ch. 20	Bond	2,000,000
L2003, Ch. 128	Bond	1,050,000
L2002, Ch. 393	Bond	1,800,000
L2000, Ch. 492	Bond	1,200,000

**Other Considerations**

This request is part of an ongoing Dam Safety Program to manage Minnesota's public dam infrastructure. Dams maintain water levels on most of our recreational lakes, providing significant recreation, tourism, and economic benefits. For example, Mille Lacs, Minnetonka, and Ottertail Lakes all depend on dams to maintain water levels and surrounding property values.

Making needed repairs limits the potential liability of the Department of Natural Resources (DNR) and local government units that own dams; protects the public safety; and saves money by maintaining existing infrastructure assets.

This program also includes the removal or modification of hazardous or obsolete dams that no longer provide significant public benefits and whose rehabilitation would not be cost effective or good for the environment. Low-head river dams, like the Cross Lake Dam in Pine County where a kayaker drowned in April 2005, need to be modified to eliminate their dangerous "drowning machine" currents. Removal and modification of river dams is a specific goal in the DNR's *Strategic Conservation Agenda*.

Consistent, long-term funding of at least \$3 million per biennium is necessary to maintain public dams and to remove dams that are obsolete or become safety hazards. DNR Waters' 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 \$2 million for this program. Also included are budget planning estimates of \$2 million in 2010 and \$2 million in 2012.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	750	500	500	1,750
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	7,100	2,250	2,500	2,500	14,350
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>7,100</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>16,100</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	7,100	3,000	3,000	3,000	16,100
<b>State Funds Subtotal</b>	<b>7,100</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>16,100</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>7,100</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>16,100</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	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
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 2013

Flood Hazard Mitigation Grants

**2008 STATE APPROPRIATION REQUEST:** \$15,000,000

**AGENCY PROJECT PRIORITY:** 1 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- ◆ Reduces repetitive flood losses
- ◆ Provides match funding for federal flood control projects
- ◆ Protects property, reduces cost and danger of flood fighting

**Project Description**

This request of \$15 million in state funds provides state cost-sharing grants to local governments for the Flood Hazard Mitigation Grant Assistance Program under M.S. 103F.161. This program allows the Department of Natural Resources (DNR) to make cost sharing grants of up to 50 percent of non-federal project costs to implement measures that reduce or eliminate flood damage. These projects reduce future flood damages and are built in cooperation with federal, state, and local governments. Additional benefits include habitat improvements with the construction of impoundments and the creation of natural open space in the flood plain. Flood damage reduction is a performance indicator in the DNR's *Strategic Conservation Agenda*.

Major floods in 1997, 2001, 2002, and 2004 created significant awareness of the damage floods can cause. Damage costs from the 1997 Red River and Minnesota River floods exceeded \$1.5 billion. The 2007 flood in Browns Valley is another reminder of the need for flood hazard mitigation. It is very cost-effective to prevent flood damage instead of fighting floods and repairing and rehabilitating homes, businesses, and infrastructure after floods have occurred. Minnesota's repetitive flood damage is significantly reduced by the implementation of flood hazard mitigation projects.

Potential projects include:

- ◆ Purchase and removal of residential and commercial structures from the floodplain,
- ◆ Relocation of businesses,
- ◆ Construction of levees and floodwalls,
- ◆ Construction of control structures and diversion channels, and
- ◆ Construction of impoundments.

Federal flood control projects are funded by about 65 percent federal and 35 percent non-federal sources. Non-federal costs are split 50/50 between the state and the local project sponsor. Provisions in the 1999 and subsequent bonding bills provided additional state funding when the local share of projects exceeded two percent of median household income. Federal projects that are likely to proceed include Browns Valley, Dawson, Montevideo, and Breckenridge. Non-federal projects include Crookston, Granite Falls, Austin, Oakport Township, North Ottawa impoundment, Agassiz Valley impoundment, and Canisteo Pit outlet. Project priorities are subject to change and dependent on risk of flooding, availability of federal funds, if applicable, ability of the local government to proceed, and local government's compliance with flood plain regulations.

The need for flood hazard mitigation projects exceeds this bonding request. Additional needs include acquisition and levee construction, flood-proofing homes and establishing lake outlets.

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

Current DNR staff funded by general fund appropriations will administer the flood hazard mitigation projects.

**Previous Appropriations for this Project**

L2006, Ch. 258, Sec. 7	Bond	\$25,000,000
L2005, Ch. 20, Art 1, Sec.7, Subd. 2	Bond	27,000,000
L2003, 1SS Ch. 20, Art 2, Sec. 3, Subd. 2	Bond	3,000,000
L2003, 1SS Ch. 20, Art 1, Sec. 5, Subd. 7	Bond	1,400,000
L2002, Ch. 393, Sec. 7, Subd. 20	Bond	30,000,000
L2001, 1SS Ch. 12, Sec. 3	Bond	2,000,000
L2000, Ch. 492, Art 1, Sec. 7, Subd's. 23 & 24	Bond	14,300,000

## Flood Hazard Mitigation Grants

During the last seven years, total appropriations of \$102.7 million have been authorized for flood hazard mitigation grants.

**Other Considerations**

Flood hazard mitigation projects significantly reduce the potential for damages to homes and businesses. Prevention is very cost effective. The consequences of taking no action result in project delays and increased project costs due to inflation. In addition, the current level of flood damage potential in these areas continues unabated.

Grant criteria identified in M.S. 103F.161 provide for a 50/50 cost share. Local cost-share formulas should be evaluated for equity. A consistent level of funding is desirable so the DNR and local governments can plan for and schedule flood damage reduction projects.

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**Governor's Recommendations**

The governor recommends general obligation bonding of \$15 million for this project. Also included are budget planning estimates of \$15 million in 2010 and \$15 million in 2012.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	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	86,400	15,000	15,000	15,000	131,400
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>86,400</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>131,400</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	86,400	15,000	15,000	15,000	131,400
<b>State Funds Subtotal</b>	<b>86,400</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>131,400</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>86,400</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>131,400</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	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	15,000	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
Yes	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 2013

## Ground Water Monitoring, Observation Wells

**2008 STATE APPROPRIATION REQUEST:** \$1,000,000

**AGENCY PROJECT PRIORITY:** 1 of 29

**PROJECT LOCATION:** Statewide

#### Project At A Glance

Expand the network for monitoring ground water levels in selected priority areas and seal obsolete, non-functional monitoring wells

#### Project Description:

This request for \$1 million is to install new ground water level monitoring wells (also known as observation wells) in selected priority areas where the well network is inadequate to provide data necessary to assess ground water availability for water supply planning. In addition, some funds may be used to seal existing monitoring wells that are no longer needed or functional. This request also includes funding for one FTE for project implementation.

Monitoring of ground water levels in Minnesota began in 1947 and was later expanded by a cooperative program between the Department of Natural Resources (DNR) and the U.S. Geological Survey (USGS). The number of ground water monitoring wells has remained constant at approximately 750 wells for many years. The goal of the program and monitoring well network is to collect long-term water level data for aquifers in the state. Data from these wells are used to analyze long-term water level trends, evaluate aquifer recharge, interpret impacts of climate fluctuation and change, plan for water conservation, evaluate water conflicts and interferences, and determine ground water/surface water interactions. Other groups, especially consultants, the Metropolitan Council, the Departments of Health and Agriculture, and the Pollution Control Agency, use this information for ground water evaluation and planning purposes.

The density, location, and depth of the wells in most of the state is not adequate for assessing long term trends within the most valuable aquifers. The twin cities metropolitan area is a high priority monitoring area where the density of monitoring wells in some areas is insufficient to detect the development of depressed water level surfaces that could be caused by excessive ground water withdrawal. This deficiency is especially acute for the deeper aquifers that are known to recharge very slowly. Estimated 10 to 15 feet deep wells (Mt. Simon aquifer) could be added to the network in the metro and adjoining areas with this funding. Another estimated five to ten feet intermediate depth wells (Prairie du Chien /Jordan aquifer) are also needed in the metro area.

The south-central portion of the state, an important recharge area for some the state's major bedrock aquifers, is very poorly known geologically, and very poorly monitored despite a recent influx of water intensive industries. In the five-county area from McLeod south to Faribault County, along the western edge of these bedrock aquifers, there are only five monitoring wells in the network and only one of these is in the deepest Mt. Simon aquifer. These funds would allow the addition of several more monitoring locations in the region.

This funding would be considered a first step toward achieving an adequate statewide ground water level monitoring system. The cost for installing ground water level monitoring wells varies considerably depending on the depth to the aquifers at any given location. A useful strategy for installing wells in a multiple aquifer area is to group them together. These nests, as they are commonly called, are advantageous for reasons of installation efficiency, data collection, and well maintenance, as well as providing vertical ground water movement information important for determining aquifer recharge and discharge relationships. For general reference, the cost of a three-well nest in the northwestern metro area would cost approximately \$60,000. Fifteen similar installations in the metro and adjoining area would use most of this funding.

Finally, some of the wells in the existing network may have degraded over time and no longer provide accurate data. Other wells in the state network, originally installed by the USGS to fulfill a specific investigative goal, may no longer be needed for the purposes of a statewide monitoring network. These

## Ground Water Monitoring, Observation Wells

wells will be identified and as many as possible will be sealed in accordance with Minnesota Department of Health regulations.

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

Funding of one position to maintain this project is included in this appropriation request.

**Other Considerations**

The data gathered through ground water level monitoring is critical in determining trends for aquifer sustainability.

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**Governor's Recommendations**

The governor recommends general obligation bonding of \$1 million for this project. Also included are budget planning estimates of \$1 million in 2010 and \$1 million in 2012.



TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	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	100	100	100	300
5. Construction Costs	0	900	900	900	2,700
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>1,000</b>	<b>1,000</b>	<b>3,000</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
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	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>1,000</b>	<b>1,000</b>	<b>3,000</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	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 2013

## Community Conservation Assistance

**2008 STATE APPROPRIATION REQUEST:** \$1,000,000

**AGENCY PROJECT PRIORITY:** 2 of 29

**PROJECT LOCATION:** Statewide

#### Project At A Glance

- ◆ Community Conservation Assistance (CCA) is a strategic, landscape approach to conserving ecologically significant habitats for their natural amenities in rapidly urbanizing areas of the state
- ◆ CCA works through partnerships to build trust
- ◆ CCA provides financial incentives to local governments and private landowners to protect high value natural habitats through acquisition or easement
- ◆ CCA guides land use decisions to reduce future land and water impairments
- ◆ CCA leverages other public (non-state) and private funding sources

#### Project Description:

This request for \$1 million in state bond funds will begin to address the tremendous land use pressures of future growth and development on all types of remaining habitat in the state.

**Why is this needed?** Within the next 23 years, a projected 1.2 million more people will reside in Minnesota. While over 90 percent of that growth will be concentrated between Rochester and St. Cloud, all of the state's 20 regional growth nodes will face important land use decisions. The fastest growing communities, especially in the state's growth corridor, will face some very important decisions about how to develop so as to also provide the expected access to the natural outdoors. This project supports local communities and the Department of Natural Resources (DNR) in the adoption of a strategic conservation approach that enables state and local governments to work together to protect healthy natural habitats that provide a range of free daily services to all.

**Who benefits?** This CCA project will:

- ◆ focus on fast growing communities in the state and provide partial funding to 5 -10 communities or landowners within these areas for the protection of high value, threatened natural habitats with broad public value, and
- ◆ through land protection, help to reduce or prevent future surface and ground water impairments due to poor land use decisions that affect overall public and ecological health.

**What is entailed?** For almost 20 years, the DNR has employed successful partnership and landscape approaches to conserve habitat. For example, for over a decade the agency's Metro/Central Region has applied a scientifically informed, strategic approach to working with communities on habitat protection and restoration. At the heart of this region's community conservation work has been a rigorously identified network or system of significant habitat patches and connecting corridors that create areas of strategic conservation focus for the many partners that bring limited resources to conservation.

These funds will enable any DNR region with a defined strategic conservation framework and public participation process to work in partnership with local communities to identify and protect mutually desired habitats. Funds will only be used to assist willing landowners and/or local units of government in land acquisition by fee title or easement. All acquisitions will be owned and managed by a DNR unit or by another government entity and all protection projects will require natural resource management plans that specify responsibility for ongoing management and stewardship.

Some of the types of criteria that might be used to select communities or landowners in fast growth areas of the state include:

- ◆ ecological quality of proposed site;
- ◆ immediacy of development threat;
- ◆ location and role in the conservation network (e.g., buffer to state-owned lands, new hub of habitat, connector between key habitats);
- ◆ public value and community interest;
- ◆ project readiness and absence of liability;
- ◆ non-state cash and in-kind funds committed to the project; and

## Community Conservation Assistance

- ◆ willing landowner.

This request will enable the agency to apply a strategic conservation approach for greater effect statewide.

**Impact on Agency Operating Budgets (facilities Note)**

Staff must identify and map remaining natural areas that are sensitive to, and threatened by, development. Areas to be considered for protection must fall within the identified focus areas for protection and must meet and be evaluated by established selection criteria. In other words, the CCA requires staff time from a variety of DNR divisions to develop the conservation framework, and then requires staff time to review projects and execute grant agreements with local governments and conservation nonprofits. For example, in DNR's Central Region, the LCCMR for Metro Conservation Corridors provides staff time for basic program administration and oversight for its strategic conservation ("green infrastructure") efforts.

**Previous Appropriations for this Project**

CCA is a new statewide effort that builds directly off of the past successes of the landscape and watershed initiatives by the agency over the last two decades. Since 1998, the Minnesota Legislature has approved almost \$15 million in capital funds for strategic regional-scale conservation approaches (Metro Greenways Program and Metro Conservation Corridors Partnership). These appropriated funds have leveraged additional, non-state conservation funding.

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**Governor's Recommendations**

The governor does not recommend capital funds for this project.

<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>TOTAL</b>
1. Property Acquisition	0	1,000	1,000	1,000	3,000
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>0</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>3,000</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</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	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>1,000</b>	<b>1,000</b>	<b>3,000</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</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
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 2013

Fish Hatchery Improvements

**2008 STATE APPROPRIATION REQUEST:** \$2,000,000

**AGENCY PROJECT PRIORITY:** 2 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- ◆ Various capital improvements to fish culture facilities
- ◆ Feasibility studies for alternate fish hatchery facilities

**Project Description**

This request for \$2 million is for rehabilitation of hatchery facilities to keep production at its peak efficiency. Potential projects include:

- ◆ Repairing rearing pond access areas;
- ◆ Repair or replacement of raceway covers;
- ◆ Installing or upgrading water lines, water effluent system, water treatment equipment, safety equipment, and more efficient heating or cooling systems;
- ◆ Upgrading and maintaining existing drainable ponds;
- ◆ Construction of fish holding facilities; and
- ◆ Feasibility studies, where feasible, on design, construction or acquisition of drainable ponds and other facilities for moving walleye rearing out of natural wetlands.

The Department of Natural Resources (DNR) *Strategic Conservation Agenda* provides a framework of indicators of performance and target results for achieving the department’s mission. This framework has provided direction and guidance on the construction of the capital budget. This initiative will assist in meeting five performance indicators: *Pounds of walleye fingerlings stocked, Lake Superior steelhead catch rates, Lake Superior lake trout needs for MN-1, metro ponds stocked for educational purposes, and improved angler satisfaction.* The culture and stocking program will also improve angler satisfaction, which is another performance indicator.

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

There would be no major impacts on the agency’s operating budget. The Fisheries activity spends about 18 percent 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.

**Previous Appropriations for this Project**

L2006, Ch.258	Bond	\$1,000,000
L2005, Ch.20	Bond	1,700,000
L2001, 1SS, Ch.2	Future Resources	145,000

**Other Considerations**

The state is currently culturing walleye, trout and salmon, muskellunge, and catfish, which represent a significant investment by the state.

	Eggs Collected	Fry Hatched	Fish Stocked
Walleye	681,255,997	440,337,808	316,858,875
Trout/Salmon	9,100,000	3,400,000	2,534,191
Muskellunge	930,047	708,116	89,021
Catfish	48,000	37,370	61,015

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Fish Hatchery Improvements

**Governor's Recommendations**

The governor recommends general obligation bonding of \$1 million for this project. Also included are budget planning estimates of \$1 million in 2010 and \$1 million in 2012.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	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	2,700	1,867	2,089	1,886	8,542
6. One Percent for Art	0	16	17	15	48
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	117	394	599	1,110
<b>TOTAL</b>	<b>2,700</b>	<b>2,000</b>	<b>2,500</b>	<b>2,500</b>	<b>9,700</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	2,700	2,000	2,500	2,500	9,700
<b>State Funds Subtotal</b>	<b>2,700</b>	<b>2,000</b>	<b>2,500</b>	<b>2,500</b>	<b>9,700</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>2,700</b>	<b>2,000</b>	<b>2,500</b>	<b>2,500</b>	<b>9,700</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	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	2,000	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 2013

## Forest Land Conservation Easements

**2008 STATE APPROPRIATION REQUEST:** \$20,000,000

**AGENCY PROJECT PRIORITY:** 2 of 29

**PROJECT LOCATION:** Statewide

#### Project At A Glance

- ◆ Provide state funding to acquire large-scale conservation easements on 76,000 acres of private forestlands, primarily in northern Minnesota.
- ◆ May leverage federal funding through the Forest Legacy Program, which may provide up to 75 percent of the cost of qualifying conservation easements. Federal match ranges between \$500,000 and \$2 million per project

#### Project Description

This proposal for \$20 million is to match a potential \$3.5 million in federal funding over the next two years to acquire Forest Legacy conservation easements on an estimated 76,000 acres of private industrial forestlands within activated Forest Legacy areas. The focus will be on larger, contiguous blocks of industrial forest ownership at greatest risk of being sold, subdivided, and developed. Opportunities will be pursued with willing industry or land-holding companies. When completed, the Department of Natural Resources (DNR) will own title to the easement and monitor easements on an annual basis.

This project will allow Minnesota to leverage federal funding for an important and urgent opportunity to protect some large, remaining tracts of undeveloped private forest lands in northern Minnesota. The opportunity will not last long as these areas are under growing pressure to be sold, subdivided and developed.

Thousands of acres of forestlands owned and managed by timber and mining companies are being sold in large chunks to timber investment management organizations (TIMOs) that often turn around and sell it off in

small parcels for development. Examples include Louisiana Pacific's sale of all of its Minnesota timberlands to a TIMO in 1998, Consolidated Paper's sale of all of its Minnesota timberland eventually to a TIMO in 2003, and Boise Cascade's sale of its Minnesota timberlands (309,000 acres) to a TIMO in 2005. TIMOs and the investors they represent generally have a shorter-term outlook and see these lands as being worth a lot more in real estate transactions than as a source of trees or wildlife habitat 50 years in the future. Nearly one million acres of large, mostly undeveloped private tracts of Minnesota forests are at risk of this real estate speculation.

The risk is real and growing. Development in the forested region of the state is increasing at rapid rates. Housing densities in northern Minnesota increased 25 percent from 1990 to 2000. Forestland values have also jumped six-fold since 1989, from about \$200 per acre to \$1,200 per acre or more. Statewide trends show a continually growing number of small "non-industrial" private forest landowners, each one owning smaller and smaller parcels of land. Smaller parcel size increases the fragmentation of Minnesota private forests (e.g., each parcel accessed by a road, each road leading to a cabin or house, etc.), making these lands less valued for wildlife habitat, less available and more difficult to manage for timber production, and less available for recreational use. There are no signs of these trends slowing down. Between 2000 and 2030, the number of households is expected to grow by 50 percent in nearly every county from the north end of the Twin Cities to Itasca County.

This opportunity is important to Minnesota because these industrial forestlands provide large blocks of essentially undeveloped forest land that is increasingly important as unfragmented wildlife habitat, as a sustainable source of timber for the state's forest industries, and land that has generally been open to the public for outdoor recreation. Approximately 42 percent of Minnesota's forests are privately owned (i.e., 6.9 of the 16.3 million acres of forest land). Of this, 1.2 million acres are private industrial holdings. Maintaining some of these lands as larger blocks of intact, working forests has clear benefits to Minnesota.

Conservation easements on private forest land leveraged by funding through the federal Forest Legacy program are critical tools in providing long-term conservation of these valuable blocks of forestland. While acquisition



Forest Land Conservation Easements

remains a valuable tool, conservation easements provide more value for the dollar in protecting important conservation lands.

Forest Legacy is a federal conservation easement program operated by the U.S. Forest Service to prevent the loss of productive timberland, fragmentation of important and threatened forestland, and the parcelization of forest ownership. The easement allows the landowner to manage the property under a sustainable forest management plan for timber, wildlife, water and recreational values, but prevents the land from being subdivided or developed for non-forest values.

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

The DNR and its partners will need to provide professional services, such as appraisal, survey and title work, to support these easements. In addition, the DNR will need to adsorb the costs of maintaining and monitoring these easements on an annual basis.

**Previous Appropriations for this Project**

L2007, Ch.30	Environmental Trust	\$2,000,000
2007	Federal	750,000
L2006, Ch.243	Environmental Trust	500,000
L2006, Ch. 258	Bond	7,000,000
2006	Federal	780,000
L2005, 1SS, Ch. 1	Environmental Trust	580,000
L2005, Ch. 20	Bond	750,000
2005	Federal	2,000,000
2004	Federal	500,000
L2003, Ch. 128	Environmental Trust	145,000
2003	Federal	407,000
2002	Federal	1,000,000
L2001,1SS, Ch. 2	Environmental Trust	500,000
2001	Federal	906,000
2000	Federal	678,000

**Other Considerations**

We are at a point in time to take action to make sure key blocks of these lands remain available for public recreational use, important wildlife habitat and timber production. With the rate of development and growing land values in northern Minnesota, this window of opportunity will not be available for long.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of \$9 million for this project. Also included are budget planning estimates of \$9 million in 2010 and \$9 million in 2012.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	16,337	19,500	19,500	19,500	74,837
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	981	500	500	500	2,481
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>17,318</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>77,318</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	7,750	20,000	20,000	20,000	67,750
Env & Natural Resoures	3,225	0	0	0	3,225
<b>State Funds Subtotal</b>	<b>10,975</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>70,975</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	6,343	0	0	0	6,343
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>17,318</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>77,318</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	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	<2,000>	0	0	<2,000>
<b>TOTAL</b>	<b>-2,000</b>	<b>0</b>	<b>0</b>	<b>-2,000</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 2013

## Native Prairie Conservation and Protection

**2008 STATE APPROPRIATION REQUEST:** \$5,000,000

**AGENCY PROJECT PRIORITY:** 2 of 29

**PROJECT LOCATION:** Statewide

#### Project At A Glance

- ◆ Accelerates protection of native prairie on private land through conservation easements and acquisition of public land.
- ◆ This funding request would:
  - ⇒ Enroll about 27 tracts protecting about 2,100 acres of prairie on private land;
  - ⇒ Acquire and designate about 300 acres of prairie as Scientific and Nature Areas (SNA); and
  - ⇒ Accelerate availability of local genotype native prairie seed.
- ◆ The ten-year goal is to protect 20,000 to 30,000 acres of native prairie in prairie bank easements and designated natural areas.

#### Project Description

This request for \$5 million is for Native Prairie Bank (NPB) conservation easements and Scientific and Natural Areas (SNA) acquisition and development, including increasing the availability of native prairie seed stocks.

Native prairie is Minnesota's most endangered natural habitat type. The state once had over 18 million acres of prairie. Today less than one percent remains (150,000 acres) and the remaining remnant native prairies are in jeopardy of being lost forever unless they are protected now. Prairies provide excellent wildlife habitat for nesting waterfowl, pheasant, and other upland nesting birds. Native prairies can provide significant ecological benefits, while also contributing to productive agriculture through grazing, haying, seed production, and biomass for energy.

The Native Prairie Bank Program was established by the 1987 legislature to allow private landowners to protect native prairie on their property through a

conservation easement with the Minnesota Department of Natural Resources (DNR). To qualify, a tract must be covered by native prairie vegetation and have never been plowed. Through a NPB, landowners receive a payment for agreeing to preserve their native prairie in its natural state. In return, NPB easements ensure that the prairies ecological values are maintained. The easements are flexible and can allow for haying for use either as livestock feed or bio-energy, grazing and seed production.

At the present time, 75 NPBs have been acquired, protecting 6,142 acres of prairie land. Over 4,800 acres of native prairie in priority landscapes has been targeted for protection in 2008, which would cost over \$7 million to enroll in the NPB program. 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 the goal is to enroll about a third of this.

Approximately \$3.0 million of this funding request would be used to enroll an estimated 27 tracts, protecting about 2,100 acres of prairie on private land.

The state Scientific and Natural Area Program was established by the 1976 legislature to protect sites with rare native species, geological features, and native habitat for public, educational, and scientific use. At present, 141 SNAs statewide protect about 181,800 acres, including about 12,700 acres of native prairie in 58 designated SNA's. 12 high priority prairie sites comprising about 1640 acres in western Minnesota and the Metro area valued at over \$6 million have been targeted for SNA acquisition in 2008.

Approximately \$1.2 million of this funding request would be used to acquire about 300 acres to be protected and managed as state-owned SNAs.

*Native Prairie Seed Bank, Restoration, and Development.* About \$800,000 of this request would be used for NPB and SNA development to protect and enhance prairie resources and to accelerate native prairie seed resources. Native prairie seed harvest would be accelerated on SNA and through partnership with the individual landowners on NPB sites. This seed would be located to establish and plant prairie SNA and NPB restorations sites and buffer areas that are suitable to serve as native local-genotype prairie foundation seed sources to supply seed growers for prairie restoration and biomass purposes. This source of diverse local ecotype prairie seed is critical for growers to meet anticipated demand for seed to supply prairie biomass

Native Prairie Conservation and Protection

for energy and biofuel production. This funding component also includes NPB and SNA development on prairie sites to meet minimum Commissioner standards (e.g. fencing and signs), baseline documentation of NPB easements, and NPB and SNA prairie restoration (e.g. removal of woody encroachment, control of invasive plants, planting with native local-genotype prairie seed).

The protection of Minnesota’s remaining native prairie has statewide significance and benefits because it is Minnesota’s most endangered habitat type and is home to more than 100 different species of rare and endangered plants and animals. This request is consistent with the DNR’s *Strategic Conservation Agenda* target to enroll more than 2.5 million acres in conservation land retirement programs by 2010, conduct at least 50 management projects on native prairie each year, and establish 500 SNAs by 2085.

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

As new NPBs and SNAs are acquired, the annual operating budget will increase accordingly. Administrative responsibilities include monitoring landowner compliance with easement conditions, providing stewardship advice and assistance to landowners to maintain or improve the condition of their native prairie, and management of state-owned SNAs. Acquisition of lands adjacent to existing DNR lands or NPB 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). The level of funding needed for program management will depend upon the number of new NPBs acquired as well as their location relative to other DNR lands.

**Previous Appropriations for this Project**

L2006, Ch. 258	Bond	\$1,000,000
L2005, Ch. 20	Bond	1,000,000
L2003, Ch. 128	Environmental Trust	191,600
(Phase 2 – Habitat Corridor Partnership)		
L2003, Ch. 128	Bond	1,000,000
L2001, 1SS, Ch. 2	Environmental Trust	300,000
(Phase 1 - Habitat Corridor Partnership)		
L2000, Ch. 492	Bond	1,000,000
L1998, Ch. 492	General	400,000

**Other Considerations**

Development and acquisition funds have historically been appropriated through bonding or from the Environmental Trust Fund. If additional funding is not provided, private prairie lands will be lost to mining, energy development, subdivisions, agricultural conversion, and intensive grazing. Lack of funds for development would threaten the survival of natural communities and rare species and limit scientific and educational use. Native prairies protected through NPBs and SNAs are among the most diverse and highest quality prairies in the state. To date, nearly all prairie seed harvested from these sites has been used for restoration on nearby NPB and SNA lands. This need persists, yet, if carefully done, seed from these lands could contribute towards increasing the availability of genetically diverse, local prairie seed for growers to produce for habitat restoration and future biomass plantings for energy production.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of \$3 million for this project. Also included are budget planning estimates of \$3 million in 2010 and \$3 million in 2012.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	2,575	5,000	5,000	5,000	17,575
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	364	0	0	0	364
5. Construction Costs	253	0	0	0	253
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>3,192</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>18,192</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	3,000	5,000	5,000	5,000	18,000
Env & Natural Resoures	192	0	0	0	192
<b>State Funds Subtotal</b>	<b>3,192</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>18,192</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>3,192</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>18,192</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	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	5,000	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 2013

RIM Critical Habitat Match

**2008 STATE APPROPRIATION REQUEST:** \$5,000,000

**AGENCY PROJECT PRIORITY:** 2 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- ◆ Matches \$5 million in private donations
- ◆ Acquires 4,000 acres of critical fish, wildlife, and native plant habitat

**Project Description**

This request for \$5 million is to match an equal amount of private donations to help fund the cost of acquiring or improving critical fish, wildlife, and native plant habitats. Private contributions from individuals, groups, and businesses that contribute 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.

Currently, the sole source of match funding is the \$3.5 million in annual proceeds generated by the Critical Habitat License Plate Program (M.S. 168.1296, Subd. 5) that 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.

The value of cash and land parcel donations to the Critical Habitat Match (CHM) Program have ranged from \$500,000 to \$4 million dollars per year, averaging about \$1.6 million per year. Currently, pledged and approved donations exceed available state matching dollars by more than \$2.3 million. In addition, several large, pending land donations are being considered that would require an additional \$7 to \$8 million of matching dollars above and beyond what will be available through Critical Habitat License Plate sales. Additional CHM funds would allow the Department of Natural Resources (DNR) to solicit donations more aggressively and increase the level of annual donations. Without adequate state matching dollars available to match an increase in donations or larger gifts, some potential donations could be lost.

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

Acquisition of lands under this program will increase agency 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**

L2005 Ch. 20	Bond	\$2,000,000
L2003 Ch. 128	Environmental Trust	400,000
L2002 Ch. 393	Bond	400,000

**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.

## RIM Critical Habitat Match

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of \$3 million for this project. Also included are budget planning estimates of \$3 million in 2010 and \$3 million in 2012.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	2,800	5,000	2,000	2,000	11,800
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>2,800</b>	<b>5,000</b>	<b>2,000</b>	<b>2,000</b>	<b>11,800</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	2,400	5,000	2,000	2,000	11,400
Env & Natural Resoures	400	0	0	0	400
<b>State Funds Subtotal</b>	<b>2,800</b>	<b>5,000</b>	<b>2,000</b>	<b>2,000</b>	<b>11,800</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>2,800</b>	<b>5,000</b>	<b>2,000</b>	<b>2,000</b>	<b>11,800</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	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	5,000	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 2013



## SNA Acquisition and Development

**2008 STATE APPROPRIATION REQUEST:** \$2,000,000

**AGENCY PROJECT PRIORITY:** 2 of 29

**PROJECT LOCATION:** Statewide

#### Project At A Glance

- ◆ Protect unique land of statewide significance for rare species and natural communities through fee acquisition and designation
- ◆ Develop unique lands to ensure the natural attributes are protected and sustained and public use is safely accommodated

#### Project Description

State funding of \$2 million is requested to acquire and develop lands as Scientific and Natural Areas (SNAs) across the state, with emphasis on protection of priority native forest, woodland, fen and peatland habitats and their rare plants and animals.

SNAs are sites of statewide significance that preserve examples of rare plant communities, geological features, and rare and endangered species habitat. Examples are native prairie and habitat for rare plant and animal populations, e.g. orchids. SNAs provide high quality recreational and educational opportunities including hiking, bird watching, hunting and nature photography, as well as critical locations for scientific research. These unique resource sites are in danger of being lost unless they are protected now.

#### SNA Acquisition: \$1.8 million

At present, 141 SNAs protect about 181,800 acres. Of this total, about 146,200 acres are in 18 ecologically significant peatlands protected by the Wetland Conservation Act of 1991. This request follows a Long Range Plan approved by the Legislative-Citizen Commission on Minnesota Resources (LCCMR). It prioritizes acquisition of natural areas and lands adjacent to existing sites. Minnesota has identified approximately 500 natural features

that need to be protected; therefore, we estimate that 500 SNAs need to be established by 2085.

Priorities for SNA acquisition are identified by the Minnesota County Biological Survey, historical data, immediate threats to critical parcels, and first hand knowledge of a site. This process allows the SNA program to meet multiple protection objectives (communities and species/geological features) at 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.

#### Development: \$200,000

SNA development ensures that biological diversity is retained and prevents the loss of important species, plant communities, and features. For example, the habitat value and public use of SNAs can be enhanced through restoration actions, including removal of woody encroachment, seed collection, and replanting as well as fencing and signing. Interpretive signage helps promote the educational and recreational value of SNA.

This request has statewide significance because it supports preservation of the highest priority plant, animal and natural community resources throughout the state (including native prairie). This request is consistent with the Department of Natural Resources (DNR's) *Strategic Conservation Agenda* priority to meet the long-term goal of having 500 SNAs by 2085. The DNR estimates that development of critical SNA sites would cost over \$3.6 million during the next six years.

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

As new SNAs are acquired, DNR's annual operating budget will increase. However, acquisition of lands adjacent to existing SNA sites can result in a decrease in management costs when problems emanating from adjacent lands are eliminated (e.g. soil erosion and noxious weeds).

## SNA Acquisition and Development

**Previous Appropriations for this Project**

		Acquisition	Development*
L2006, Ch. 258	Bond	1,800,000	\$200,000
L2005, 1SS, Ch. 1	Trust Fund	67,000	67,000
L2005, Ch. 20	Bond	150,000	150,000
L2003, Ch. 128	Trust Fund	400,000	80,000
L2003, 1 SS, Ch. 20	Bond	1,800,000	200,000
L2001, ISS, Ch. 2	Trust Fund	455,000	0

\*Trust Fund includes restoration \$s that are not all bondable

**Other Considerations**

Funds have historically been appropriated through bonding or from the Environmental Trust Fund. Lack of funds for SNA 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. This proposal focuses on priority native forest, woodland, fen and peatland habitats. Protection and conservation of priority native prairie land is included in a separate bonding proposal.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of \$1 million for this project. Also included are budget planning estimates of \$1 million in 2010 and \$1 million in 2012.

<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>TOTAL</b>
1. Property Acquisition	3,577	2,000	7,000	7,000	19,577
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	200	0	0	0	200
5. Construction Costs	1,137	0	0	0	1,137
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>4,914</b>	<b>2,000</b>	<b>7,000</b>	<b>7,000</b>	<b>20,914</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>TOTAL</b>
State Funds :					
G.O Bonds/State Bldgs	4,914	2,000	7,000	7,000	20,914
<b>State Funds Subtotal</b>	<b>4,914</b>	<b>2,000</b>	<b>7,000</b>	<b>7,000</b>	<b>20,914</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>4,914</b>	<b>2,000</b>	<b>7,000</b>	<b>7,000</b>	<b>20,914</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</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 2013

## Shoreline &amp; Aquatic Habitat Acquisition (AMA)

**2008 STATE APPROPRIATION REQUEST:** \$10,000,000

**AGENCY PROJECT PRIORITY:** 2 of 29

**PROJECT LOCATION:** Statewide

#### Project At A Glance

- ◆ Acquire various Aquatic Management Area (AMA) parcels through easements or fee title
- ◆ Implement habitat improvement, rehabilitation, and development projects that meet at least minimum improvement requirements

#### Project Description

This request for \$10 million is to acquire fee title or permanent conservation easements on lakes and streams. Site development includes initial infrastructure costs (boundary survey, posting, parking lot, user facilities, building removal, well sealing, and road approaches). Lake and stream improvement efforts will also be implemented, including native plant restoration and bank stabilization.

The Department of Natural Resources' *Strategic Conservation Agenda* provides a framework of indicators of performance and targeted results for achieving the department's mission. This framework has provided direction and guidance on the construction of the capital budget. This initiative will assist in meeting two performance indicators: *Number of shoreline miles protected in aquatic management areas (AMAs)* and *Brown trout population levels and miles of easements on southeastern Minnesota trout streams*. The AMA acquisition program is an essential tool in providing water access sites, which is another performance indicator.

#### 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. It will provide angler access and protection of aquatic habitats. The funds will also be used to support AMA habitat improvements that may be done in cooperation with

local watershed efforts. There will be no or minimal impact on administrative or staffing budgets.

#### Previous Appropriations for this Project

L2006, Ch. 258	Bond	\$2,000,000
L2005, Ch. 20	Bond	1,050,000

#### Other Considerations

The demand for shoreline property is high and riparian areas are rapidly being developed. AMAs ensure that critical fish and wildlife habitats will be conserved and public access to clean water resources will be available. Acquisition of AMAs is a critical step towards maintaining Minnesota's reputation for providing excellent fishing opportunities, and an outstanding quality of life for those who visit and live here.

The department depends on outside funds for acquisition opportunities that cannot be funded with operational funds. These funds will be used in areas of the state where clean water habitats are being threatened and where recreational opportunities on lakes and streams are not keeping up with demand. Through the AMA acquisition program, state funds have the ability to leverage large amounts of private land or cash donations. From 2003 through 2006, the department acquired \$13,980,320 worth of AMA fee title or easement lands, of which \$5,755,594 (41%) came from donations.

#### Project Contact Person

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#### Governor's Recommendations

The governor recommends general obligation bonding of \$1 million for this project. Also included are planning estimates of \$1 million in 2010 and \$1 million in 2012.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	3,050	10,000	10,000	10,000	33,050
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>3,050</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>33,050</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	3,050	10,000	10,000	10,000	33,050
<b>State Funds Subtotal</b>	<b>3,050</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>33,050</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>3,050</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>33,050</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	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	10,000	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 2013

State Forest Land Acquisition

**2008 STATE APPROPRIATION REQUEST:** \$2,000,000

**AGENCY PROJECT PRIORITY:** 2 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- ◆ Acquire 405 acres of private in-holdings within state forests located in Minnesota
- ◆ Reduce development pressures in state forests
- ◆ Address trespass and access problems

**Project Description**

This request for \$2 million in state funds is to acquire private lands within state forest boundaries to reduce development pressure on private land that threatens management options on adjacent state lands. Parcels acquired 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.

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

This request will help fund efforts outlined in the DNR's *Strategic Conservation Agenda* for the Division of Forestry Lands Asset Management Program. It will be a start to a 20-year strategic land asset management

planning effort to acquire more than 150,000 acres of state forest in-holdings and access through exchanges with and purchases from willing sellers.

**Previous Appropriations for this Project**

L2006, Ch. 258	Bond	\$1,000,000
L2005, Ch. 20	Bond	750,000
L1998,	General Fund	800,000

**Other Considerations**

Deferral of this project will result in the development of forest in-holdings for residential or private recreational purposes and loss of access to existing state lands. 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.

Periodically, acquisition of important parcels of private land within or adjacent to state forestlands involves a collaborative effort between the DNR and private non-profit organizations. These organizations are sometimes better able to quickly respond when important parcels become available on the market, securing the parcels through purchase with the understanding that the DNR will purchase parcels of interest from them when funds become available.

**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 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	1,575	1,800	6,300	6,300	15,975
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	175	200	700	700	1,775
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>1,750</b>	<b>2,000</b>	<b>7,000</b>	<b>7,000</b>	<b>17,750</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	1,750	2,000	7,000	7,000	17,750
<b>State Funds Subtotal</b>	<b>1,750</b>	<b>2,000</b>	<b>7,000</b>	<b>7,000</b>	<b>17,750</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>1,750</b>	<b>2,000</b>	<b>7,000</b>	<b>7,000</b>	<b>17,750</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	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	2,000	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 2013

## State Forest Land Reforestation

**2008 STATE APPROPRIATION REQUEST:** \$6,000,000

**AGENCY PROJECT PRIORITY:** 2 of 29

**PROJECT LOCATION:** Statewide

#### Project At A Glance

- ◆ \$2 million for preparing 15,000 acres for reforestation to help ensure the successful establishment of trees
- ◆ \$4 million for planting and seeding 20,000 acres of state forestlands to assure optimal stocking of tree species most ecologically suitable to specific sites

#### Project Description

This request is for a total of \$6 million for site preparation and tree planting and seeding on 20,000 acres of state land. This request supports the requirements of 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.

Restoration needs and efforts are expected to intensify in the future. As ecological land classification is used to match the best species to the sites, and as efforts are made to meet subsection planning goals calling for conversion of tree cover into longer lasting conifers, reforestation expenditures will increase.

The benefits of careful, adequate, and full reforestation are many:

- ◆ 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,

- ◆ Fulfills the vision for Minnesota's forests as described in the Department of Natural Resources (DNR's) *Strategic Conservation Agenda* that calls for healthy and resilient forests and forests that are sustainably managed to provide a diversity of benefits,
- ◆ Addresses landscape cover type conversion and composition goals established during DNR Subsection Forest Resources Management Planning (SFRMP),
- ◆ Responds to catastrophic events by restoring DNR forest lands damaged by recent wildfires and insect and disease outbreaks (e.g., wildfires along the Gunflint Trail, pine forests killed by jack pine budworm in northwestern and central Minnesota),
- ◆ Addresses the long-term sustainability of Minnesota's forests, which should be considered a capital investment rather than a yearly operating expense, and
- ◆ Maintains forests as carbon sinks. Minnesota forests store significant amounts of carbon, and play an important role in reducing the climate impact of carbon dioxide pollution. Reforestation is critical to maintaining the forest's ability to absorb and store carbon.

The goal of DNR's reforestation effort is to ensure that five years after the harvest, the area is stocked with trees ecologically best suited to the site; tree species meet the desired conditions for the landscape, and the 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:

- ◆ Site preparation
- ◆ Planting or seeding
- ◆ Protection
- ◆ Release

Capital investments in reforestation will provide funding for the site preparation and planting/seeding components. The site preparation component will involve using both mechanical and chemical means to reduce competition and prepare a suitable planting/seeding bed. The planting



State Forest Land Reforestation

component consists of purchasing seeds and seedlings to meet reforestation objectives, securing reforestation equipment and supplies to better ensure seedling survival during planting, and contracting or hiring labor to plant the trees.

Protection and release are also critical components for meeting reforestation goals. New plantings need protection (e.g., from animal browsing) for at least three to five years after planting. New plantings may also need to be released from competing vegetation that robs young seedlings of needed light and nutrients. Without these measures, initial investments in planting/seeding likely would be lost. As the acreage of young plantings increase, there is an increase in the amount of funding needed for protection and release. Because protection and release are not bond-eligible, the DNR currently funds these reforestation components from the Forest Management Investment Account (FMIA).

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

As noted above, capital investments in the site preparation and planting/seeding components of DNR reforestation efforts will require additional investments in protection and release components from the Forestry operating budget to be successful.

**Previous Appropriations for this Project**

L2006, Ch. 258	Bond	\$4,000,000
L2005, Ch. 20	Bond	2,000,000

**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 program. Also included are budget planning estimates of \$3 million in 2010 and \$3 million in 2012.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	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	6,000	6,000	6,000	6,000	24,000
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>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>24,000</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	6,000	6,000	6,000	6,000	24,000
<b>State Funds Subtotal</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>24,000</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>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>24,000</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	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	6,000	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 2013

Stream Protection and Restoration

**2008 STATE APPROPRIATION REQUEST:** \$2,000,000

**AGENCY PROJECT PRIORITY:** 2 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- ◆ Restores degraded or channelized streams to benefit fish and wildlife habitat and water quality and reduce erosion and flooding
- ◆ Restores fish passage around man-made barriers
- ◆ Request would fund stream channel design and restoration

**Project Description**

State funding of \$2 million is requested for stream channel design and restoration projects.

Minnesota's streams have been degraded by channelization and the construction of dams. Channelization reduces stream length, eliminates fish and wildlife habitat, and increases erosion, sedimentation, and downstream flooding. Dams block migration of fish and other aquatic species and reduce the overall productivity of streams by interfering with sediment and nutrient transport. Stream restoration provides opportunities to improve fish and wildlife habitat and water quality while reducing erosion and downstream flooding.

Restoration projects involve removal or modification of man made barriers or constructing stream channels to a more natural pattern, constructing riffles for bed stability, bank stabilization, and landscaping. Stream channel design requires specialized knowledge of watershed hydrology, river morphology, and stream ecology to ensure that restored streams provide ecological and recreational benefits.

Projects are chosen through a statewide selection process based on potential for resource improvement, local community interest, and public

benefit. Project costs include engineering, conducting surveys for development of topography maps, developing design plans and specifications, producing bid and specifications packages, and final construction.

This request will have statewide benefits because projects are located in several geographic areas. There are also public safety benefits to this proposal because man made barrier removal or modification can eliminate a drowning hazard. This request is consistent with the Department of Natural Resources (DNR's) *Strategic Conservation Agenda* priority to restore degraded streams and remove or modify unsafe dams.

**Previous Appropriations for this Project**

L2006, Ch. 258	Bond	\$2,000,000
L2005, Ch. 20	Bond	500,000
L2003, 1SS Ch. 1280	Bond	500,000

**Other Considerations**

Opportunities for stream restoration work are increasing as local communities learn the recreational, ecological, and economic benefits of healthy rivers.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this project.

<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>TOTAL</b>
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	230	0	0	0	230
4. Project Management	90	0	0	0	90
5. Construction Costs	2,680	2,000	3,000	4,000	11,680
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>3,000</b>	<b>2,000</b>	<b>3,000</b>	<b>4,000</b>	<b>12,000</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>TOTAL</b>
State Funds :					
G.O Bonds/State Bldgs	3,000	2,000	3,000	4,000	12,000
<b>State Funds Subtotal</b>	<b>3,000</b>	<b>2,000</b>	<b>3,000</b>	<b>4,000</b>	<b>12,000</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>3,000</b>	<b>2,000</b>	<b>3,000</b>	<b>4,000</b>	<b>12,000</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</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 2013

## Water Control Structures

**2008 STATE APPROPRIATION REQUEST:** \$1,000,000

**AGENCY PROJECT PRIORITY:** 2 of 29

**PROJECT LOCATION:** Statewide

#### Project At A Glance

Various improvements to water control structures on lands under state control

#### Project Description

This request is for \$1 million to improve water control structures on state controlled lands. The Department of Natural Resources (DNR) Fish and Wildlife Division manages over 600 dikes, dams, water control structures and fish barriers on shallow lakes and significant wetlands across Minnesota. These structures improve water quality and provide core waterfowl habitat. Many of these structures are deteriorating and are in need of replacement and upgrading to include fish barriers.

Potential projects include:

- ◆ Removing and replacing inadequate or failing water control structures
- ◆ Repairing and improving existing water control structures and dikes
- ◆ Breaching an existing dike to allow flowage systems to be managed in a natural state
- ◆ Creating an outlet structure to allow lake habitat restoration
- ◆ Constructing dike systems to restore wetlands while protecting adjoining farmland.

The DNR's *Strategic Conservation Agenda* provides a framework of indicators of performance and targeted results for achieving the department's mission. This framework has provided direction and guidance on the construction of the capital budget. This initiative will assist in meeting two performance indicators: *Number of prairie wetland complexes* and *Minnesota's share of the yearly Mississippi River Flyway duck harvest*. The

improved water quality of the wetlands managed and restored with the water control structures will also improve hunter satisfaction, which is another performance indicator.

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

There would be no major impact on the agency's operating budget. The water control structures that would be improved with this request are important for healthy and sustainable waterfowl component wetlands. Operating budgets have not been and will not be adequate to fund the capital nature of these improvements.

#### Previous Appropriations for this Project

L2006, Ch. 258 Bond \$1,000,000

#### Other Considerations

This appropriation will preserve and improve investments in the state's important wetland resources and support the work of partners such as Ducks Unlimited and Minnesota Waterfowl Association to accelerate shallow lake management in addressing concerns of the status of waterfowl in the state.

#### Project Contact Person

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#### Governor's Recommendations

The governor recommends general obligation bonding of \$500,000 for this project. Also included are budget planning estimates of \$500,000 in 2010 and \$500,000 in 2012.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	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	1,000	1,000	1,000	1,000	4,000
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>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>4,000</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	1000	1,000	1,000	1,000	4,000
<b>State Funds Subtotal</b>	<b>1000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>4,000</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>1000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>4,000</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	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 2013

Wildlife Area Acquisition and Improvement

**2008 STATE APPROPRIATION REQUEST:** \$20,000,000

**AGENCY PROJECT PRIORITY:** 2 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- ◆ Accelerate strategic acquisition and improvement of Wildlife Management Area (WMA) lands

**Project Description**

This request for \$20 million is to accelerate strategic acquisition of approximately 15,000 acres of new Wildlife Management Areas (WMA) and to improve WMA facilities and restore habitat on newly acquired lands. Minnesota has one of the finest systems of publicly owned WMAs in the country (1,371 units; 878,000 acquired acres in 86 of 87 counties). These areas allow Minnesota citizens and nonresidents to enjoy wildlife and share our natural heritage. WMAs are also important for conserving surface water, preserving unique vegetation, enhancing natural beauty and open space, and providing areas for outdoor recreation compatible with wildlife management.

Land acquisition will emphasize increasing the number of high quality prairie wetland/grassland complexes. Priority will be given to larger acquisitions (greater than 200 acres) that protect wetland, shallow lakes, and grassland complexes. Preference will be given to acquisitions that already have some protection through existing state or federal ownership, conservation easements, or farm programs such as Conservation Reserve Program (CRP). This focus will help increase waterfowl production and hunter harvest in Minnesota, further the objectives of the Working Lands Initiative, restore Minnesota's wetland and waterfowl hunting heritage, and support the Department of Natural Resources (DNR) Duck Plan.

Funding will be used for major cooperative acquisition efforts with private nonprofit organizations and other state and federal agencies. Collaborative efforts, such as the Working Lands Initiative, apply both private and public land management practices in a targeted and strategic manner to maximize benefits and minimize costs. Working lands helps unify, coordinate, and improve conservation investments in Minnesota's prairie pothole region. Partners in the effort are many, but include Ducks Unlimited, Pheasants Forever, The Nature Conservancy, Minnesota Waterfowl Association, US Fish and Wildlife Service, the state Board of Water and Soil Resources, and the DNR. The partners identify highest priority focus areas to create large complexes of wetlands and grasslands to improve fish and wildlife and enhance water quality and soil conservation. It also provides a structure and process to leverage dollars and gain conservation benefits at the lowest possible cost.

Supplemental efforts like Legislative-Citizen Commission on Minnesota Resources (LCCMR) initiatives, other state and federal acquisition programs, non-governmental investments, private land easements and other private efforts are key to providing the long-term habitat base needed to meet our wildlife and public hunting goals in much of the state.

Potential projects include:

- ◆ Purchasing approximately 7,500 acres for WMAs directly from willing landowners;
- ◆ Partnering with private conservation organizations and other state and federal programs to acquire a similar amount of land for WMAs;
- ◆ Developing and improving WMA user facilities, access roads, and trails; and
- ◆ Restoring prairie/grasslands, open/brush lands, and wetlands to support wildlife populations on newly acquired WMAs.

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

Wildlife Area Acquisition and Improvement

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

Lands acquired as part of the WMA system require 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 (an average of ten percent of purchase value).

In the mid-term and long-term there is also a continuing commitment 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. Other bonding requests, Game and Fish Funds, Heritage Enhancement Funds, Environmental Trust Funds, or funds from private partner organizations can help fund these costs.

**Previous Appropriations for this Project**

L2006, Ch. 258	Bond	\$14,000,000
L2005, Ch. 20	Bond	10,000,000 acq/\$600,000 dev.
L2002, Ch. 393	Bond	400,000 acq/\$200,000 dev
L2000, Ch. 492	Bond	1,000,000

**Other Considerations**

Minnesota's Wildlife system plays a major role in providing opportunities for hunting, trapping and wildlife-watching activities; a \$1 billion industry in the state. 15 percent of Minnesotans hunt and 52 percent of Minnesota residents watch wildlife. New WMA lands will play a key role in providing additional access to quality wildlife lands to meet future recreational needs for public hunting, trapping and wildlife-related recreation.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of \$10 million for this program. Also included are budget planning estimates of \$10 million in 2010 and \$10 million in 2012.



TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	25,200	20,000	20,000	20,000	85,200
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>25,200</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>85,200</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	25,200	20,000	20,000	20,000	85,200
<b>State Funds Subtotal</b>	<b>25,200</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>85,200</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>25,200</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>85,200</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	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
Yes	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 2013

## Cuyuna Country SRA Enhancements

**2008 STATE APPROPRIATION REQUEST:** \$2,000,000

**AGENCY PROJECT PRIORITY:** 3 of 29

**PROJECT LOCATION:** Cuyuna Country State Recreation Area

#### Project At A Glance

- ◆ \$1.9 million to construct a new access road, rustic campground, and support facilities for mountain biking and scuba diving activities at Cuyuna Country State Recreation Area near Crosby
- ◆ \$100,000 to plan for a potential public/private partnership opportunity for a regional mountain biking training facility sponsored by the International Mountain Biking Association (IMBA)

#### Project Description

This request for \$2 million is for the development of the Cuyuna Country State Recreation Area (SRA) near Crosby, in Crow Wing county. This bonding request would focus on providing a main access road to areas planned for diving and mountain biking, and providing support facilities such as a rustic campground and other trailhead and diving access facilities. The proposal also includes \$100,000 for preliminary design of a mountain bike training center and administrative office.

This SRA contains almost 5,000 acres within its boundaries, with about 2,700 acres currently owned by the state. It is a popular destination for scuba divers, since the flooded mine pits have exceptionally clear water and interesting underwater features. The IMBA has also proposed an extensive mountain bike trail system at Cuyuna, one that would make the park a regional or national mountain biking destination. IMBA was successful in obtaining a federal grant of about \$525,000 to begin development of this facility. In addition, IMBA is discussing development of a regional training center for mountain biking, and Department of Natural Resources (DNR) Parks would like to explore the opportunity for a public/private training center and administrative office building within the boundaries of the recreation area.

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

A new access road, rustic campground, and trailhead support facilities will add operating costs to the Cuyuna Country SRA operating budget. New sales of park permits and camping fees will partially offset the increase in operating costs.

#### Other Considerations

Cuyuna Country SRA is an emerging recreational gem that needs the focus that enhanced facilities for mountain biking and scuba diving can provide. The clear mine pit water provides exceptional diving opportunities, and the mixture of rocky terrain and wooded slopes provides outstanding mountain biking conditions. The recreation area has the potential for being a significant regional center for both of these activities if high quality support facilities are constructed.

#### Project Contact Person

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#### Governor's Recommendations

The governor does not recommend capital funds for this request.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	100	0	0	100
3. Design Fees	0	300	0	0	300
4. Project Management	0	0	0	0	0
5. Construction Costs	0	1,480	0	0	1,480
6. One Percent for Art	0	3	0	0	3
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	117	0	0	117
<b>TOTAL</b>	<b>0</b>	<b>2,000</b>	<b>0</b>	<b>0</b>	<b>2,000</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	2,000	0	0	2,000
<b>State Funds Subtotal</b>	<b>0</b>	<b>2,000</b>	<b>0</b>	<b>0</b>	<b>2,000</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>2,000</b>	<b>0</b>	<b>0</b>	<b>2,000</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	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	2,000	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 2013

## Iron Range OHV Recreation Area

**2008 STATE APPROPRIATION REQUEST:** \$2,000,000

**AGENCY PROJECT PRIORITY:** 3 of 29

**PROJECT LOCATION:** Iron Range

#### Project At A Glance

- ◆ \$750,000 for Highway underpass between two sites
- ◆ \$250,000 to construct maintenance building
- ◆ \$1 million develop access trail between the two sites, perimeter fencing and new trails

#### Project Description

This request for \$2 million is to finish the development of the Iron Range Off-Highway Vehicle State Recreation Area (IROHVRA). This proposal would connect the Gilbert OHVRA with land acquired for the Virginia OHVRA, provide funds for a maintenance building at the Gilbert facility and develop the Virginia site for vehicle use.

A portion of this funding would be used to connect the two sites with an underpass on State Highway 137; a cost estimate on this concrete box culvert is \$550,000. A second underpass will be needed on Mittal Steel USA, Minorca Mine (Mittal) mining access road. Mittal has agreed to work with the State on this second crossing supplying equipment and fill material, so the second culvert cost is estimated at \$200,000.

Some funding would be used for a new maintenance building at the Gilbert IROHVRA site. The current shop area is a pole building that is not insulated or heated with no running water or rest room for staff. A new maintenance building is estimated to cost \$250,000. The current building would be used for cold storage only.

The last component of this bonding request is the development of the newly acquired 2,500 acres IROHVRA. Access to the majority of the riding area will

require crossing Pike River on the old county road alignment. Because of the extensive beaver activity in this flowage, the old road alignment will need to be lifted significantly and the crossing of the river will require a bridge. This site will also require approximately 15 miles of perimeter fencing to be constructed. These construction costs are estimated at \$1 million.

Previous dedicated account funding of \$2.7 million has been invested into the recreation area from OHV accounts in the natural resources fund.

The first Iron Range Off Highway Vehicle (OHV) site was authorized in 1996 and opened to the public in 2002. This 1,200 acre site is located within the city limits of Gilbert, Minnesota. This site is also where the DNR office is located for this facility, plus a maintenance building, vehicle wash, and a classroom. This first site has been operating well and meeting the project attendance of 10,000 per year. It was understood that this site would need to be connected to another larger site to realize future potential. The request for bonding will provide necessary funding to connect these two sites and complete development.

It was originally thought that dedicated funding would be adequate to acquire and develop this second part of the IROHVRA because all landowners had indicated they wanted the State to lease, not purchase, their property within the boundary of the second site. However, after discussions started, all landowners decided to pursue fee purchase rather than lease. Therefore, most of the dedicated funding has been directed towards securing the land.

It is estimated that on this 2,500 acre site, planned development should yield between 50 to 70 miles of OHV trail initially.

This effort is identified in the Department of Natural Resources (DNR) *Strategic Conservation Agenda*.

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

The state will own the newly acquired IROHVRA site and both sites will be managed as one. The contact station, maintenance facility, staging area, and vehicle wash site will all remain at the Gilbert facility. The Virginia site of the IROHVRA will be primarily for trail riding opportunities and possibly some

## Iron Range OHV Recreation Area

special events depending upon the outcome of the Master Plan and environmental review.

**Previous Appropriations for this Project**

All previous appropriations have been requested from the OHV dedicated accounts. A one-time appropriation from the Iron Range Resources account for \$750,000 was granted in 2000 and used as local match for this project.

**Other Considerations**

It is anticipated that the completion of an OHV site in Minnesota would reduce the impact on other public lands. It would provide specialized technical riding opportunities in Minnesota. The current 1,200 acre Gilbert site connected to the 2,500-acre Virginia site will provide enough OHV opportunity to make this a national destination for OHV riding. It will provide opportunity for special event type activities, a mud area, and nearly 100 miles of trail covering all levels of difficulty.

These OHV State Recreation Areas have a significant potential for return on state funds invested, especially for local communities. With the official opening of the Iron Range OHV Recreation Area at Gilbert in the fall of 2002, the community began to see an influx of visitors and their dollars. A boom in area restaurants, OHV rentals, motel and campground expansions are largely attributable to visitors to the OHV Recreation Area. This has helped mitigate the effects of a general mining industry slowdown in recent years.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	275	0	0	275
4. Project Management	0	0	0	0	0
5. Construction Costs	0	1,507	0	0	1,507
6. One Percent for Art	0	1	0	0	1
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	100	0	0	100
9. Inflation	0	117	0	0	117
<b>TOTAL</b>	<b>0</b>	<b>2,000</b>	<b>0</b>	<b>0</b>	<b>2,000</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	2,000	0	0	2,000
<b>State Funds Subtotal</b>	<b>0</b>	<b>2,000</b>	<b>0</b>	<b>0</b>	<b>2,000</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>2,000</b>	<b>0</b>	<b>0</b>	<b>2,000</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	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	2,000	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
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 2013

## Off-Highway Vehicle Rec Area

**2008 STATE APPROPRIATION REQUEST:** \$2,000,000

**AGENCY PROJECT PRIORITY:** 3 of 29

**PROJECT LOCATION:** Southern Minnesota

#### Project At A Glance

- ◆ \$2 million for acquisition of site(s) for Off-Highway Vehicles (OHV) use
- ◆ Project site(s) in southern Minnesota where the majority of lands are privately owned

#### Project Description

This request for \$2 million is to acquire a public OHV recreation area in southern Minnesota. This proposal is for user financing from the OHV Accounts; user fees will pay the debt service costs of the proposal.

Although OHV enthusiasts and their supporters have identified a number of sites, it remains uncertain which or how many of these sites could actually be purchased. Legislation in 1996, and again in 1999 authorized an OHV State Recreation Area in northeastern Minnesota. Likewise, demand exists in southern Minnesota, except there are far fewer acres of public land on which to consider the development of an OHV site. Four trail systems currently exist in southern Minnesota for All-Terrain Vehicles (ATV), two of which also allow off-highway motorcycles (OHM), (Snake Creek and Trout Valley units, R.J. Dorer Memorial State Forest). Swift County has a site in Appleton that is open to all three motorized groups (ATV, Off-Road Vehicles (ORV), OHM) as a county recreation facility.

Despite efforts to date, only eleven miles of ORV trails have been established outside of the Iron Range OHV Recreation Area. Many miles of forest roads exist for ORV touring, but technically challenging trails have proven difficult to locate. These specialized technical opportunities are more easily provided in state-owned Recreation Areas, like the Iron Range OHV Recreation Area at Gilbert, Minnesota.

This effort is identified in the Department of Natural Resources' *Strategic Conservation Agenda*.

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

The state will own the newly acquired OHV riding site, which will be open to all three-user groups. The state will seek to partner with local trail clubs or local units of government to operate the site.

#### Previous Appropriations for this Project

There have been no previous appropriations requested for this project.

#### Other Considerations

It is anticipated that the completion of an OHV site in Minnesota would reduce the impact on other public lands. It would provide specialized technical riding opportunities in southern Minnesota.

OHV State Recreation Areas have a significant potential for return on state funds invested, especially for local communities. With the official opening of the Iron Range OHV Recreation Area at Gilbert in the fall of 2002, the community began to see an influx of visitors and their dollars. A boom in area restaurants, OHV rentals, motel and campground expansions are largely attributable to visitors to the OHV Recreation Area.

With additional vehicle registrations, the OHV account balances increase, making more funds available for OHV trail opportunities. A similar positive economic impact can be anticipated in southern Minnesota as occurred in and around Gilbert.

Off-Highway Vehicle Rec Area

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.



TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	0	1,600	0	0	1,600
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	100	0	0	100
4. Project Management	0	0	0	0	0
5. Construction Costs	0	181	0	0	181
6. One Percent for Art	0	2	0	0	2
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	117	0	0	117
<b>TOTAL</b>	<b>0</b>	<b>2,000</b>	<b>0</b>	<b>0</b>	<b>2,000</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	2,000	0	0	2,000
<b>State Funds Subtotal</b>	<b>0</b>	<b>2,000</b>	<b>0</b>	<b>0</b>	<b>2,000</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>2,000</b>	<b>0</b>	<b>0</b>	<b>2,000</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	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	<2,000>	0	0	<2,000>
<b>TOTAL</b>	<b>-2,000</b>	<b>0</b>	<b>0</b>	<b>-2,000</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	0	0.0%
User Financing	2000	100.0%

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)
No	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 2013

## State Park Development on North Shore

**2008 STATE APPROPRIATION REQUEST:** \$8,000,000

**AGENCY PROJECT PRIORITY:** 3 of 29

**PROJECT LOCATION:** North Shore - Duluth to Grand Marais

#### Project At A Glance

- ◆ Project leverages highway funding to accomplish important recreational facility goals at Split Rock Lighthouse and Tettegouche State Parks,
- ◆ New inland full-service campground is proposed at Split Rock Lighthouse,
- ◆ Major rehabilitation of the visitor service area/highway rest area complex at Tettegouche State Park is funded jointly through bonding and highway funds,
- ◆ A new trail center at Tettegouche State Park, serving the Superior Hiking Trail and ultimately the Gitchi Gami State Trail, and
- ◆ Additional recreational facility enhancements in high-use North Shore Parks.

#### Project Description

The Minnesota Department of Transportation (Mn/DOT) is planning to upgrade the Tettegouche Rest Area and construct an underpass under T.H. 61 at Split Rock, which will allow for construction of a full-service, energy efficient new campground on the west side of the highway. At Tettegouche, Mn/DOT rest area funding and Department of Natural Resources (DNR) bond funds would be used to improve or replace existing visitor facilities and parking areas and encourage expanded usage comparable to the shared facility at Gooseberry Falls. A new trail center is also proposed at Tettegouche that will serve the Superior Hiking Trail, the Gitchi Gami State Trail (paved non-motorized uses), the Red Dot/Silver Trail Riders snowmobile trail, and cross-country ski trails within the park.

This project will leverage \$4 to \$6 million in highway funding.

State park campgrounds on the North Shore consistently have some of the highest occupancy rates in the system, and only one park on the North Shore currently has electric-equipped campsites available to users.

This project will provide better recreational facilities in an area of the state where recreational demand continues to increase. Special emphasis will be placed on using sustainable construction techniques and materials, and alternative energy sources such as photovoltaic solar for campground electrical supply. Other recreational facility improvements in high-use North Shore state parks may be funded if budget permits.

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

The proposed new campground will add operating costs to the Split Rock Lighthouse State Park budget. However, these costs will be offset at least partially by increased camping revenue. The rehabilitated visitor center/highway rest area at Tettegouche should not increase operating costs, as any increases in square footage should be offset by more efficient utility systems and energy efficient design. The new trail center at Tettegouche will add operating costs to the park budget.

#### Previous Appropriations for this Project

There have been no previous appropriations requested for this project.

#### Other Considerations

Private development is claiming an increasing share of the shoreline of Lake Superior between Duluth and Grand Marais, and it is important that public recreation anchors like Split Rock Lighthouse State Park and Tettegouche State Park continue to offer attractive, popular recreational facilities that allow lake access and public recreation to thousands of people each year at an affordable cost.

## State Park Development on North Shore

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**Governor's Recommendations**

DNR submitted \$23 million in three separate bonding requests for acquisition and restoration of state park in-holdings, development of North Shore state parks and for rehabilitation of state park facilities. The governor recommends general obligation bonding of \$10 million to fund projects within these three requests based on internal DNR priorities. Also included are budget planning estimates of \$10 million in 2010 and \$10 million in 2012.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	50	30	30	110
3. Design Fees	0	1,200	750	750	2,700
4. Project Management	0	0	0	0	0
5. Construction Costs	0	6,036	3,280	2,874	12,190
6. One Percent for Art	0	27	12	8	47
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	220	140	140	500
9. Inflation	0	467	788	1,198	2,453
<b>TOTAL</b>	<b>0</b>	<b>8,000</b>	<b>5,000</b>	<b>5,000</b>	<b>18,000</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	8,000	5,000	5,000	18,000
<b>State Funds Subtotal</b>	<b>0</b>	<b>8,000</b>	<b>5,000</b>	<b>5,000</b>	<b>18,000</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>8,000</b>	<b>5,000</b>	<b>5,000</b>	<b>18,000</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	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	8,000	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)
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 2013

State Park Recreational Facility Improvements

**2008 STATE APPROPRIATION REQUEST:** \$12,000,000

**AGENCY PROJECT PRIORITY:** 3 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- ◆ Rehabilitation and enhancement of recreational facilities at the most heavily used state parks (\$12 million)
- ◆ Opportunity to reach new audiences while ensuring that system health and safety concerns are met
- ◆ Focus on campground and beach improvements; roads, bridges and utilities; and protection of historic structures

**Project Description**

This request for \$12 million is to fund improvements to recreational facilities at selected state parks. These parks are among the most popular in the state park system. The proposed improvements will benefit the largest number of existing users as well as attract new users.

This request will focus on the following units:

- ◆ Itasca – projects will include rehabilitation of Wilderness Drive and Itasca Main Park Drive, restoration of Nicollet Court to provide new lodging facilities in the Douglas Lodge Area, restoration of beach area facilities, rehabilitation of the museum building, and construction of a new amphitheatre area.
- ◆ St. Croix – projects will include major road rehabilitation, bridge replacements, replacement of two sanitation buildings, historic building rehabilitation, utility system reconstruction, and erosion control projects.
- ◆ Interstate – projects will include rehabilitation of the pothole area parking lot, buildings, and interpretive facilities.
- ◆ Jay Cooke – projects will include separation of administrative offices from the historic River Inn, and rehabilitation of River Inn interpretive

facilities. A historic sanitation building at Oldenburg Point will also be rehabilitated.

- ◆ Whitewater – projects will include major road rehabilitation, extensive water system replacement, restoration of a historic stone house for possible rental, and contact station improvements.
- ◆ Maplewood – projects will include road rehabilitation, and substantial campground renovation, including additional electric hookups.
- ◆ Sibley – projects would include rehabilitation of the beach area facilities, and contact station / shop area improvements.

Important facility repair and rehabilitation projects in other state parks and recreation areas may be included as funds permit.

**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**

L2006, Ch. 258	Bond	\$3,000,000
L2005, Ch. 20	Bond	1,800,000
L2003, Ch. 128	Future Resources	400,000
L2002, Ch. 374	Bond	1,000,000
L2002, Ch. 393	Bond	23,500,000
L2001, 1SS Ch. 2	Future Resources	745,000
L2000, Ch. 492	Bond	7,415,000

**Other Considerations**

Many of these projects address safety issues in state park facilities; accessibility issues in parks, and structural deficiencies in buildings, roads, and bridges. If not corrected, some of these facilities may not be available for

## State Park Recreational Facility Improvements

public use. The projects to be accomplished with these funds are prioritized through a process involving field staff, regional park management, and state park management, which represent the most urgent needs of the state park system.

**Project Contact Person**

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**Governor's Recommendations**

DNR submitted \$23 million in three separate bonding requests for acquisition and restoration of state park in-holdings, development of North Shore state parks and for rehabilitation of state park facilities. The governor recommends general obligation bonding of \$10 million to fund projects within these three requests based on internal DNR priorities. Also included are budget planning estimates of \$10 million in 2010 and \$10 million in 2012.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	80	133	133	346
3. Design Fees	2,379	1,800	3,000	3,000	10,179
4. Project Management	444	0	0	0	444
5. Construction Costs	12,865	9,117	13,222	11,590	46,794
6. One Percent for Art	0	42	59	51	152
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	465	260	435	435	1,595
9. Inflation	0	701	3,151	4,791	8,643
<b>TOTAL</b>	<b>16,153</b>	<b>12,000</b>	<b>20,000</b>	<b>20,000</b>	<b>68,153</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	15,408	12,000	20,000	20,000	67,408
Minnesota Resources	745	0	0	0	745
<b>State Funds Subtotal</b>	<b>16,153</b>	<b>12,000</b>	<b>20,000</b>	<b>20,000</b>	<b>68,153</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>16,153</b>	<b>12,000</b>	<b>20,000</b>	<b>20,000</b>	<b>68,153</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	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	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)
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 2013

State Park Rehabilitation & Development

**2008 STATE APPROPRIATION REQUEST:** \$3,000,000

**AGENCY PROJECT PRIORITY:** 3 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- ◆ \$500,000 to restore land within state parks to pre-settlement conditions through prairie restoration, wetland restoration, deciduous forest restoration, and pine forest restoration
- ◆ \$2.5 million to acquire private land in-holdings from willing sellers within designated state park and recreation area boundaries

**Project Description**

This request for \$3 million in state bonding funds would allocate \$2.5 million to acquire private lands from willing sellers within legislatively established state park and recreation area boundaries, and \$500,000 to implement natural resource restoration projects. Housing development pressure threatens many natural areas within state parks, and these funds will help to prevent the loss of significant natural landscapes for future generations.

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.

Approximately 15 percent of the state park system’s 267,000 acres is privately owned with state park and recreation area boundaries.

M.S. 86A.05 subd. 2c directs state parks to preserve, manage and restore pre-settlement natural features and other significant scenic, scientific and historic elements in the system. The state park natural resource

management program annually restores nearly 750 acres of prairie, forests and wetlands. In addition, almost 12,000 acres/year are maintained or improved through prescribed fire, control of invasive plant species and protection of forest regeneration. Bonding funds in this request would allocate \$0.5 million to reconstruct 350 acres of prairie/savanna, and 612 acres of deciduous and pine forest restoration.

**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. Restoring natural areas will require operating budget support, but using bond funds to restore land to pre-settlement conditions allows for more effective use of operating funds to maintain healthy plant communities and reduce the spread of invasive species.

**Previous Appropriations for this Project**

L2006, Ch. 258	Bond	\$3,000,000
L2005, 1SS, Ch.1	Env Trust	2,000,000
L2005, Ch. 20	Bond	2,500,000
L2003, 1SS Ch. 20	Bond	1,000,000
L2003, Ch. 128	Env Trust	1,500,000
L2001, 1SS Ch. 2	Env Trust	1,110,000
L2001, 1SS Ch. 2	Future Resources	616,000
L2000, Ch. 492	Bond	500,000

**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**

DNR submitted \$23 million in three separate bonding requests for acquisition and restoration of state park in-holdings, development of North Shore state parks and for rehabilitation of state park facilities. The governor recommends general obligation bonding of \$10 million to fund projects within these three requests based on internal DNR priorities. Also included are budget planning estimates of \$10 million in 2010 and \$10 million in 2012.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	10,000	2,500	5,000	5,000	22,500
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	500	1,000	1,000	2,500
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>10,000</b>	<b>3,000</b>	<b>6,000</b>	<b>6,000</b>	<b>25,000</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	6,500	3,000	6,000	6,000	21,500
Env & Natural Resoures	3,500	0	0	0	3,500
<b>State Funds Subtotal</b>	<b>10,000</b>	<b>3,000</b>	<b>6,000</b>	<b>6,000</b>	<b>25,000</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>10,000</b>	<b>3,000</b>	<b>6,000</b>	<b>6,000</b>	<b>25,000</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	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 2013

State Trail Rehabilitation, Repair and Acquisition

**2008 STATE APPROPRIATION REQUEST:** \$15,000,000

**AGENCY PROJECT PRIORITY:** 3 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- ◆ Acquire and/or develop segments of five state trails
- ◆ Rehabilitate portions of four state trails
- ◆ Projects include erosion control, culvert replacement, grade stabilization, bituminous replacement, and bridge rehabilitation

**Project Description**

This request for \$15 million in state funds is to rehabilitate, acquire, and develop state trails. Rehabilitation extends the life of trail facilities, reduces future maintenance costs, and helps provide a safe trail experience to the users. These rehabilitation projects include culvert replacement, rehabilitation of bridges, resurfacing, and erosion control. These projects are identified in the Department of Natural Resources (DNR) *Strategic Conservation Agenda* with a target of 30 miles of rehabilitation every two years.

**State Trail Rehabilitation, Repair, and Construction**

**Heartland Trail (Walker) Trestle repair \$2,000,000**

Three trestles on the Heartland Trail have been declared unsafe for vehicle traffic between Park Rapids and Cass Lake. Rehabilitation of the Akeley trestle is estimated at \$900,000 for the 314 feet of trestle, Kabekona is estimated at 1 million for the 389 feet of trestle, and Steamboat is estimated to need an additional \$100,000 for 211 feet of trestle. In the FY06 bonding bill, \$300,000 was allotted to start repair on the Steamboat trestle.

**Luce Line Trail (Watertown-Winstead) 13 miles/re-limestone \$200,000**

The limestone surface on this segment of trail was last done 22 years ago and is in need of being resurfaced.

**North Shore/ Pengilly Trail, Bridge repair \$1,800,000**

This project is to repair or replace inadequate and deteriorating bridges, five on the North Shore State Trail, and two on the Pengilly/Alborn State Trail. On the North Shore State Trail this funding would be used to replace two bridges, a 55 foot and an 80 foot, both over the east branch of the Baptism River, at an estimated cost of \$100,000 and \$150,000 respectfully; a 100 foot bridge over the west branch of Baptism River at an estimated cost of \$200,000; a 60 foot bridge over the east branch of Amity Creek at an estimated cost of \$100,000; and a 140 foot bridge over the Lower Cross River at an estimated cost of \$250,000.

On the Pengilly/Alborn trail two old railroad bridges need to be rehabilitated. One is a 450 foot bridge over the St. Louis River at an estimated cost of \$600,000 and the second one is a 350 foot bridge over the Whiteface River with an estimated cost of \$400,000. These structures will need some abutment work and trail stabilization as well.

**State Trail Development**

**Great River Ridge – Elgin-Eyota (7 miles) \$1,200,000**

This project is to develop seven miles of abandon grade that is already in public ownership and the bridges have already been built.

**Gitchi Gami – Silver Bay to Tettegouche (7 miles) \$1,600,000**

This project continues development of the Gitchi Gami trail between Silver Bay and Tettegouche State Park (7 miles). A federal match of \$1.275 million has been secured for this project.

**Root River – Forestville (5 miles) \$3,000,000**

This project is on a segment of the Root River Trail that has already been acquired and now needs to be developed. This segment is just over five miles in length. Four large bridges are part of this new development, and will connect the City of Preston to Forestville State Park.

State Trail Rehabilitation, Repair and Acquisition

**State Trail Acquisition**

**Browns Creek (6 miles) \$5,000,000**

This project is an extension of the Gateway Trail, which is part of the Willard Munger Trail system and a segment that recently became available. This is a very important trail connection between St. Paul and Stillwater. This would allow the abandoned railroad grade to be acquired; only development would be at a later date.

**Root River – Houston-Mound Prairie (7 miles) \$200,000**

This project is to complete the trail acquisition of the Root River State Trail seven miles east to the city of Mound Prairie. This is for acquisition of the trail alignment; only development will be at a later date with additional funding as needed.

**Total \$15,000,000**

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

DNR anticipates that completing the 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.

Developing additional trail miles will increase operation and maintenance costs. The addition of 25 new miles of trail will have an annual maintenance cost of \$200,000.

**Previous Appropriations for this Project**

L2006, Ch. 258	Bond	\$2,000,000
L2005, 1SS, Ch. 1	Environmental Trust	2,000,000
L2005, Ch. 20	Bond	7,910,000
L2003, Ch. 128	Environmental Trust	1,300,000
L2003, 1SS, Ch. 20	Bond	475,000
L2002, Ch. 33	Bond	900,000
L2001, 1SS, Ch. 2	Environmental Trust	1,000,000
L2001, 1SS, Ch. 2	Future Resources	1,440,000
L2000, Ch. 492	Bond	3,400,000

**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 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**

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**Governor's Recommendations**

The governor recommends general obligation bonding of \$3 million for repair and rehabilitation of state trails. Also included are budget planning estimates of \$3 million in 2010 and \$3 million in 2012.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	2,285	5,200	9,000	10,500	26,985
2. Predesign Fees	0	0	0	0	0
3. Design Fees	1,629	900	1,600	2,000	6,129
4. Project Management	0	100	125	150	375
5. Construction Costs	10,671	8,800	15,275	19,350	54,096
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>14,585</b>	<b>15,000</b>	<b>26,000</b>	<b>32,000</b>	<b>87,585</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	11,285	15,000	26,000	32,000	84,285
Env & Natural Resoures	3,300	0	0	0	3,300
<b>State Funds Subtotal</b>	<b>14,585</b>	<b>15,000</b>	<b>26,000</b>	<b>32,000</b>	<b>87,585</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>14,585</b>	<b>15,000</b>	<b>26,000</b>	<b>32,000</b>	<b>87,585</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	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	15,000	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 2013

## Vermilion State Park Acquisition &amp; Development

**2008 STATE APPROPRIATION REQUEST:** \$0

**AGENCY PROJECT PRIORITY:** 3 of 29

**PROJECT LOCATION:** Lake Vermillion

#### Project At A Glance

- ◆ The proposal includes acquiring land and developing a flagship state park that would showcase northern Minnesota's classic lake country, provide a wide range of year-round public activities, and expand the experiences and knowledge of area visitors to the natural and cultural resources of the Lake Vermillion area.

#### Project Description

This request is to acquire and develop the proposed Lake Vermillion State Park. The amount needed to acquire the land is unknown at this time. Park development will provide for a flagship state park that would showcase northern Minnesota's classic lake country, provide a wide range of year-round public activities, and expand the experiences and knowledge of area visitors to the natural and cultural resources of the Lake Vermillion area.

Facilities to be developed include visitor center; campsites with electricity; camper cabins; modern restrooms, showers, and water resources; water and boat access to Lake Vermillion; trails; interpretive areas to complement Soudan Underground Mine State Park, which is adjacent to this property; and an outdoor skills camp. Development will include the necessary roads and infrastructure to support these park facilities.

Facility design will incorporate sustainable concepts that maximize energy efficiency and use technology to enhance visitor experiences.

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

Annual operating expenses are projected to be in the range of \$550,000 to \$650,000 at build-out. Annual direct income is estimated to be \$500,000.

#### Previous Appropriations for this Project

There have been no previous appropriations requested for this project.

#### Other Considerations

The importance of increasing the capacity of public recreation facilities to meet the expected future demand for current and new visitors on one of the largest and most scenic lakes in Minnesota is significant.

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#### Governor's Recommendations

The governor will make a supplemental 2008 capital budget recommendation when purchase negotiations are complete. At that time, he will recommend user-financed general obligation bonds, with the environmental trust fund as the source of user financing.

<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</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	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>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>TOTAL</b>
State Funds :					
G.O Bonds/State Bldgs	0	0	0	0	0
<b>State Funds Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</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>0</b>	<b>0</b>	

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</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	0	0%
User Financing	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.	
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 2013

## Water Access Acquisition, Dev and Fishing Piers

**2008 STATE APPROPRIATION REQUEST:** \$10,000,000

**AGENCY PROJECT PRIORITY:** 3 of 29

**PROJECT LOCATION:** Statewide

#### Project At A Glance

- ◆ \$8.6 million for acquisition and development of new boat access sites
- ◆ \$1 million for rehabilitation of existing boat access sites
- ◆ \$400,000 for construction of new fishing piers and shore fishing sites

#### Project Description

This request for \$10 million in state funds is to provide the public with new and improved boat accesses, fishing piers, and shorefishing sites throughout the state. This proposal will allow for acquisition and construction of about four new boat access sites on larger lakes, rehabilitation of up to six sites, and construction of 12-15 fishing piers and shorefishing sites.

The current statewide system includes more than 1,590 boat access sites and over 300 fishing piers and shore fishing sites. 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.

We are currently fourth in the nation with 860,000 licensed boats and rank first per capita in boat ownership, with an average of one boat for every six people. The number of boat licenses is increasing by about 1 percent 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 \$15 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. Criteria for developing public water access sites are 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 percent 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 in the future. Technology changes are also 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.



Water Access Acquisition, Dev and Fishing Piers

About ten percent 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**

L2006, Ch. 258	Bond	\$3,000,000
L2005, Ch. 20	Bond	2,000,000
L2003, Ch. 128	Environmental Trust	1,150,000
L2001, 1 SS Ch. 2	Environmental Trust	1,760,000
L2001, 1 SS Ch. 2	Future Resources	2,000,000
L2000, Ch. 492	Bond	4,000,000

**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 percent of its federal apportionment on boat access. These funds are earned in part using state capital funds and are reimbursed at 75 percent. This means Minnesota must spend over \$2.1 million of state funds on boat accesses annually to earn over \$1.6 million in federal funds. At the federal level, the U.S. Fish and Wildlife Service administer these funds. 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 \$1 million for this project. Also included are budget planning estimates of \$1 million in 2010 and \$1 million in 2012.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	3,360	5,000	5,000	9,000	22,360
2. Predesign Fees	0	0	0	0	0
3. Design Fees	110	650	650	875	2,285
4. Project Management	44	100	100	125	369
5. Construction Costs	2,636	4,250	4,250	5,000	16,136
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>6,150</b>	<b>10,000</b>	<b>10,000</b>	<b>15,000</b>	<b>41,150</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	5,000	10,000	10,000	15,000	40,000
Env & Natural Resoures	1,150	0	0	0	1,150
<b>State Funds Subtotal</b>	<b>6,150</b>	<b>10,000</b>	<b>10,000</b>	<b>15,000</b>	<b>41,150</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>6,150</b>	<b>10,000</b>	<b>10,000</b>	<b>15,000</b>	<b>41,150</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	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	10,000	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 2013

## Bell Museum of Natural History

**2008 STATE APPROPRIATION REQUEST:** \$4,000,000

**AGENCY PROJECT PRIORITY:** 4 of 29

**PROJECT LOCATION:** St. Paul campus, University of Minnesota

#### Project At A Glance

- ◆ Design and construct an environmental landscape for the new Bell Museum of Natural History
- ◆ Blends the missions and purposes of the Museum and Department of Natural Resources (DNR) regarding the education about, interpretation and conservation of, and recreation in, the State's natural resources
- ◆ Native site vegetation will represent Minnesota's environments of prairie, coniferous forests, deciduous forest, and oak savanna habitats
- ◆ Strategically placed ponding will manage storm water drainage and attract birds and wildlife to the site.

#### Project Description

This request for \$4 million is for landscaping and interpretation of both the Department of Natural Resources (DNR) and Bell Museum mission at the University of Minnesota's proposed new Bell Museum of Natural History. The University of Minnesota, in a separate 2008 Capital Budget Request, is requesting funding for the building.

Several acres will be devoted to exterior exhibits representing Minnesota's three distinct ecological regions – coniferous forest, hardwood forest, and prairie. The new facility offers an opportunity to increase its service to Minnesota as the state's natural history museum by inspiring awareness, appreciation, and action on behalf of Minnesota's natural environment and resources. The new building will be an effective and inviting gateway through which the public can explore the natural world and see first hand cutting edge University research.

The Bell Museum was recognized by the state legislature in 1872 as Minnesota's state museum of natural history. Since then, there has been a strong working relationship between DNR's natural history programs and the Bell Museum. Survey work conducted by DNR biologists and contractors with the Non-game Wildlife Program, the Natural Heritage Program, and the County Biological Survey, have worked closely with professors, staff and students at the Bell Museum. All flora and fauna specimens, including important herbarium specimens, collected by these program's efforts have been deposited and curated in the museum's collections.

The proposed Bell Museum will be located on the southwest corner of Larpenteur and Cleveland Avenues, with the environmental landscaping occupying the southern 5.7 acres of the 13 acre site. Together, the building and site will be a portal through which the public can explore the natural world.

The site will offer visitors the opportunity to learn about the dynamics of the natural world as a synergistic entity and as a place abundant with opportunities for fostering a life-long relationship with nature that includes stewardship, respect, and recreation. The site will be a working example of sustainability as it contains water runoff, sequesters carbon with its plantings, and provides an urban habitat attractive to wildlife.

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

Funding this request will not have an impact on DNR's operating budget.

#### Previous Appropriations for this Project

The DNR has not made any previous state capital budget appropriations for this project.

#### Other Considerations

This request continues the rich relationship between the Department of Natural Resources and the Bell Museum as they work toward providing the citizens of Minnesota and visitors with a unique window on the natural world.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	190	0	0	190
4. Project Management	0	72	0	0	72
5. Construction Costs	0	3,738	0	0	3,738
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>4,000</b>	<b>0</b>	<b>0</b>	<b>4,000</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	4,000	0	0	4,000
<b>State Funds Subtotal</b>	<b>0</b>	<b>4,000</b>	<b>0</b>	<b>0</b>	<b>4,000</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>4,000</b>	<b>0</b>	<b>0</b>	<b>4,000</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	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.	
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 2013

## Drill Core Library and Field Office Consolidation, Renovation

**2008 STATE APPROPRIATION REQUEST:** \$5,000,000

**AGENCY PROJECT PRIORITY:** 4 of 29

**PROJECT LOCATION:** Statewide

#### Project At A Glance

- ◆ Consolidate offices to improve integrated natural resource management
- ◆ Materially contribute to the development of a sustainable organization through optimizing facility resources while having the smallest environmental footprint possible
- ◆ Establish clear site anchors and facilities supporting the business strengths of Department of Natural Resources (DNR) within the framework of the Facility Master Plan

#### Project Description

This request for \$5 million is to replace an inadequate facility at Glenwood, construct a needed addition to the Drill Core Library for Lands and Minerals in Hibbing, and provide pre-design for a consolidated facility in Bemidji. The proposed projects address conditions that cannot be resolved through common repair and maintenance activities such as overcrowded conditions, multiple owned and leased offices scattered in one area, unsuitable occupancies, and missing functionality.

**Glenwood:** The area office site at Glenwood consists of a converted residence that is not accessible, is overcrowded, has inadequate storage, structural issues, and ongoing asbestos, lead paint and bat guano issues. This project will replace the office and storage buildings, provide an accessible permit office, renovate the shop area, and upgrade the hatchery to meet the demand for increased capacity. Space will be designed in keeping with Department of Natural Resources (DNR) developing Facility Master Plan.

The hilly Glenwood site was purchased by DNR in 1903 for use as a fish hatchery. In 1906, the hatchery building and main office were constructed on the lower part of the site, and a residence for the site manager was built on the upper part of the site. Storage areas for boats and nets were added over time, and as space demands exceeded capacity, the residence became offices. Currently, Fish and Wildlife staff works in all available nooks and crannies throughout the site, including a minimally heated vestibule and porch space. The site is not accessible; people coming to the site for permits must negotiate steps, and DNR staff store heavy nets and seines in a loft above the boat storage accessible only by an old and narrow staircase. Mechanical and electrical systems are inadequate, and security is non-existent.

The structural integrity of the residence and storage building is failing: The porch is falling away from the main house due to shallow footings, the foundation of the storage building is being damaged by frost heave, which also impacts door access, and the wood access stairs are decaying.

**Drill Core Library:** M.S. 1031.605 directs mineral exploratory borers to submit a ¼ portion of all core obtained for mineral exploration. The most recent library was constructed in 1990, and is near capacity. Funding from this request would provide for the design and construction of an addition to the drill core library in Hibbing.

**Bemidji:** This request will also fund a pre-design for a consolidated DNR regional headquarters building in Bemidji. All DNR divisions have staff in and around Bemidji, but they are scattered in five locations and capacity limits have been exceeded. In addition to the five state-owned buildings, there are DNR staff in leased offices in the area, and are other state agencies in facilities as well. This pre-design will assess opportunities for consolidation to increase service to citizens, provide workspaces that are conducive to increased efficiencies, enhance collaboration among the divisions, demonstrate forward thinking in site and building sustainability, and be in keeping with DNR's developing Facilities Master Plan.

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

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

## Drill Core Library and Field Office Consolidation, Renovation

**Previous Appropriations for this Project**

L2005 Ch. 20	Bond	\$300,000
L2002 Ch. 393	Bond	2,500,000
L2000 Ch. 492	Bond	3,250,000

**Other Considerations**

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. This requires workplaces that serve the functional requirements of natural resource management work. Workplace design should allow quick and inexpensive adjustments to maximize productivity and satisfaction. The workplace should also be efficient, technologically advanced, and allow people to accomplish their work in the most efficient way. Specific benefits should include: improved productivity, job satisfaction and health, along with better use of limited resources (people, space, time and money).

Improved facility conditions and workplace utility will enhance collaborative work and productivity. These same improvements will reduce the state's exposure to risks associated with the deficiencies of current facility conditions.

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**Governor's Recommendations**

The governor recommends general obligation bonding of \$1 million for design and construction of an addition to the Drill Core Library in Hibbing.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	472	0	0	0	472
2. Predesign Fees	0	220	250	250	720
3. Design Fees	211	325	675	675	1,886
4. Project Management	113	203	225	225	766
5. Construction Costs	1,843	3,499	6,711	5,898	17,951
6. One Percent for Art	21	33	64	56	174
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	140	428	500	500	1,568
9. Inflation	0	292	1,575	2,395	4,262
<b>TOTAL</b>	<b>2,800</b>	<b>5,000</b>	<b>10,000</b>	<b>9,999</b>	<b>27,799</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	2,800	5,000	10,000	9,999	27,799
<b>State Funds Subtotal</b>	<b>2,800</b>	<b>5,000</b>	<b>10,000</b>	<b>9,999</b>	<b>27,799</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>2,800</b>	<b>5,000</b>	<b>10,000</b>	<b>9,999</b>	<b>27,799</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	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	5,000	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
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 2013



Forest Roads and Bridges

**2008 STATE APPROPRIATION REQUEST:** \$2,000,000

**AGENCY PROJECT PRIORITY:** 4 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

Replace and upgrade five bridges:

- ◆ Two bridges in the George Washington State Forest
- ◆ One bridge in the Beltrami Island State Forest
- ◆ One bridge in the Pine Island State Forest
- ◆ One bridge in the Kabetogama State Forest

**Project Description**

This request for \$2 million is to rehabilitate, repair, and replace aging forest roads and bridges infrastructure. Engineering studies recommend replacing or upgrading these structures. Proposed increases in road weight limits also make it necessary to attend to structures identified for replacement. The bridges and culverts in the network of forest roads are used to access state forests for management. The roads and bridges also provide access to forest lands for purposes of hunting and recreation by the public.

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.

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 lands under the commissioner’s authority. The system must let the commissioner manage, protect and develop those lands and their forest resources consistent with forest resource policies, and the demands for forest resources.

The Department of Natural Resources (DNR) maintains more than 2,000 miles of roads that serve the 4.6 million acres of DNR-administered lands. These roads also serve several million acres of county, federal, and private forest lands. State forest roads provide a strategic link between the DNR’s forest resources and the network of county, state and federal public roads. While state forest roads are used for resource management and hauling forest products, a significant share of their use is also for recreation.

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

DNR currently receives approximately \$330,000 each year in dedicated state gas tax dollars used for maintenance on forest roads and bridges. However, at least \$1.2 million is needed annually to address maintenance needs. This amount does not include reconstruction projects and major resurfacing needs. Past bonding funds have provided about 20 percent of construction, reconstruction, and water-crossing structure replacement needs.

**Previous Appropriations for this Project**

L2006, Ch. 258	Bond	\$1,000,000
L2005, Ch. 20	Bond	300,000
L2002, Ch. 393	Bond	1,200,000
L2002, Ch. 374	Bond	750,000
L2000, Ch. 492	Bond	722,000

**Other Considerations**

Alternatives to this request include the following:

- ◆ *Increase and extend restrictions on maximum weight.* If this request is not funded, access to forest lands for forest resource management will be increasingly limited to winter only. The volume and value of timber the DNR is able to sell may be reduced. Good summer access enhances the DNR’s ability to use natural seeding techniques involving summer-logged shelterwood and all-age harvesting techniques.
- ◆ *Increased road closures to off-road vehicles to reduce wear and damage to forest roads and to 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 also impact hunting, boating, color tours, and other dispersed recreation.

## Forest Roads and Bridges

The increasing recreational use in our forests has increased pressure on the state forest road system. Recreational use is more than 80 percent of the total traffic on the system. Failure to meet the needs of our existing infrastructure will result in reduced recreational opportunities.

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**Governor's Recommendations**

The governor recommends general obligation bonding of \$1 million for this project. Also included are budget planning estimates of \$1 million in 2010 and \$1 million in 2012.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	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	3,250	2,000	4,000	4,000	13,250
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>3,250</b>	<b>2,000</b>	<b>4,000</b>	<b>4,000</b>	<b>13,250</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	3,250	2,000	4,000	4,000	13,250
<b>State Funds Subtotal</b>	<b>3,250</b>	<b>2,000</b>	<b>4,000</b>	<b>4,000</b>	<b>13,250</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>3,250</b>	<b>2,000</b>	<b>4,000</b>	<b>4,000</b>	<b>13,250</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	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	2,000	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 2013

## Reinvest for Energy Efficiencies

**2008 STATE APPROPRIATION REQUEST:** \$10,000,000

**AGENCY PROJECT PRIORITY:** 4 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- ◆ Reduce the DNR's carbon footprint through multiple strategies.
- ◆ Reinvest in DNR buildings by retrofitting to reduce energy use
- ◆ Increase the DNR's use of renewable energy
- ◆ Demonstrate renewable energy technologies at three or more sites

**Project Description**

This request will provide \$10 million in state bond funds to reduce the DNR's carbon footprint. This will be achieved through retrofitting selected buildings and the installation of renewable energy technologies at appropriate sites.

There are a number of benefits that will come from these projects. The combination of retrofits and the addition of renewable energy systems have the potential to substantially reduce, or eliminate, the carbon footprint of selected buildings. The economic benefits include substantial reductions in building operating costs through efficiency gains, and the avoided costs of electricity and fossil heating fuels.

The building retrofit process includes a detailed engineering study of energy use in buildings, also known as recommissioning, to understand where significant reductions in energy consumption are available. As a result of the engineering analysis, select building elements will be upgraded to reduce energy need and to provide energy in a highly efficient manner. The process will include retrofits of entire building systems such as exterior envelope, lighting, HVAC, electrical, and plumbing systems, on-site storm water management, and landscaping. In addition to retrofits, the engineering study will include a recommissioning component to determine optimal

building operation strategies. Following the retrofits, building systems will be properly commissioned, and building management personnel will be trained in order to maximize the savings arising from each project. Building retrofit and recommissioning projects such as these can expect annual energy savings on the order of 15 percent to 25 percent, and provide simple paybacks of three to five years.

In addition to retrofitting, elected projects will demonstrate the use of renewable energy technologies appropriate to the project site. The renewable energy projects will include a variety of energy sources. Likely candidates include renewable electricity generation from solar and wind energy, as well as space heating and water heating with sources such as biomass and solar energy. The cost effectiveness of renewable energy installations varies considerably by the technologies chosen. Space heating and hot water systems using solar energy or biomass can be very cost effective. The cost effectiveness of renewable electricity generation varies widely by technology and the scale of an installation. Large-scale wind generation is cost competitive in today's electricity markets, while other technologies remain expensive. The choice of renewable energy projects will necessarily include financial cost effectiveness; however the demonstration and public education value of the projects will also play an important role. There may be opportunities to improve the economic value of renewable electricity projects through the sale of Renewable Energy Credits generated through the Midwest Renewable Energy Tracking System.

An emphasis will be placed on renewable energy installations that provide opportunities for significant public education and outreach. Projects will be installed in such a way to maximize educational possibilities of the installation. Where appropriate installation components will be made visible, and information kiosks will be made available to provide information regarding the energy, economic and environmental benefits of the installations.

**Projects**

Retrofit and recommissioning work will be done on buildings where there is opportunity for significant impact. DNR has participated in the State's Energy Benchmarking process for buildings over 5,000 sf, and is currently collecting energy use data on the rest of DNR's buildings. This information will be

## Reinvest for Energy Efficiencies

analyzed to determine the best opportunities for improved long-term energy reduction; consideration will also be given to the amount of initial investment required to achieve the energy savings so as to maximize the return on investment.

In addition to maximization of return on investment, criteria for selection include feasibility for the application of emerging technology, renewable energy opportunities, priority in the Facility Master Plan, partnership opportunities, staff commitment to the project, and the ability to track measurable outcomes.

Specific projects are not yet identified: The DNR has sought internal applications based on the selection criteria, and is analyzing the responses.

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

The reduction in energy use from this project will result in reduced operating costs.

**Previous Appropriations for this Project**

There have been no previous appropriations for this project.

**Other Considerations**

Funds from this request support DNR's mission to "conserve and manage the state's natural resources...in a way that creates a sustainable quality of life". Implementation of the multiple energy and sustainable technologies noted in this request will allow DNR to:

- ◆ Lead the way in making energy efficiency and renewable energy strategies a basic component of everyday life
- ◆ Demonstrate in a highly public manner a variety of ways to use renewable energy sources

**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 2008-09	FY 2010-11	FY 2012-13	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	731	731	731	2,193
4. Project Management	0	325	325	325	975
5. Construction Costs	0	8,280	7,299	6,486	22,065
6. One Percent for Art	0	80	70	62	212
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	584	1,575	2,395	4,554
<b>TOTAL</b>	<b>0</b>	<b>10,000</b>	<b>10,000</b>	<b>9,999</b>	<b>29,999</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2008-09	FY 2010-11	FY 2012-13	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	10,000	10,000	9,999	29,999
<b>State Funds Subtotal</b>	<b>0</b>	<b>10,000</b>	<b>10,000</b>	<b>9,999</b>	<b>29,999</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>10,000</b>	<b>10,000</b>	<b>9,999</b>	<b>29,999</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2008-09	FY 2010-11	FY 2012-13	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	10,000	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)
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 2013

Statewide Asset Preservation

**2008 STATE APPROPRIATION REQUEST:** \$2,000,000

**AGENCY PROJECT PRIORITY:** 4 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- ◆ Addresses a wide range of facility renewal needs
- ◆ Initiates repair and maintenance projects supporting safety, building integrity, and code violations

**Project Description**

This request for \$2 million is to preserve state assets across the state.

The Department of Natural Resources (DNR) has identified more than \$35 million in asset preservation projects for agency facilities statewide. These facilities support the *DNR's Strategic Conservation Agenda* by serving recreational, work place, and public interaction needs. These projects are focused on renewal and repairs needed to maintain existing building values and functionality. 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 problems eroding the capital value of state owned buildings.

The project priorities are to reduce risk of illness and injury, improve indoor air quality, enhance accessibility, and increase security. Funding this request will provide for all aspects of asset preservation, including roofing, plumbing and heating, electrical repair and upgrades, energy efficiency improvements, and structural upgrades. Failed building systems will be updated using improved technologies as opportunities arise.

The DNR continues to invest in a trained, equipped, and productive workforce. Facility conditions significantly contribute to DNR's ability to

achieve the state's natural resources management mission. It is in the state's best interest to maintain facilities in a fully functional condition to enhance employee productivity, reduce operating costs, and protect the state's long-term investment in buildings.

These projects do not duplicate any other DNR request.

**Fast Facts**

- ◆ Building assets are valued at \$390 million;
- ◆ The average age of DNR buildings over 120 square feet., and their infrastructure, is 45 years old;
- ◆ Eight State Parks experienced a sanitary sewer failure over the 2007 Memorial Day weekend;
- ◆ A total of \$35 million in estimated asset renewal needs; and
- ◆ 745 buildings are in poor condition as rated by the Facility Condition Index.

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

Funding this request will help the DNR to address the backlog of asset preservation and building renewal projects. Adequate funding for maintenance and repair and betterment obligations will result in lower future obligations for more costly repair and replacement.

**Previous Appropriations for this Project**

L2006, Ch. 258	Bond	\$2,000,000
L2005, Ch. 20	Bond	2,000,000
L2002, Ch. 393	Bond	2,600,000
L2000, Ch. 492	Bond	2,000,000
L1998, Ch. 404	Bond	2,200,000

**Other Considerations**

If this proposal is not funded, important building renewal projects will be left undone. 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 and emergency work.

**Statewide Asset Preservation****Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of \$2 million for this project. Also included are budget planning estimates of \$2 million in 2010 and \$2 million in 2012.



<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>TOTAL</b>
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	408	93	186	186	873
4. Project Management	205	32	64	64	365
5. Construction Costs	5,856	1,741	3,089	2,764	13,450
6. One Percent for Art	0	17	31	28	76
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	131	0	0	0	131
9. Inflation	0	117	630	958	1,705
<b>TOTAL</b>	<b>6,600</b>	<b>2,000</b>	<b>4,000</b>	<b>4,000</b>	<b>16,600</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>TOTAL</b>
State Funds :					
G.O Bonds/State Bldgs	6,600	2,000	4,000	4,000	16,600
<b>State Funds Subtotal</b>	<b>6,600</b>	<b>2,000</b>	<b>4,000</b>	<b>4,000</b>	<b>16,600</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>6,600</b>	<b>2,000</b>	<b>4,000</b>	<b>4,000</b>	<b>16,600</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</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)
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 2013