

I. Rails-to-Trails Acquisition and Development

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Department of Natural Resources
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A. M.L. 91 Ch 254, Art 1, Sec 14, Subd 3(m)

Appropriation:	\$ 1,000,000
Balance:	\$ -0-

This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources for acquisition and development of trails in accordance with established priorities.

II. NARRATIVE

- A. Statement of the Problem: The Paul Bunyan proposal has been authorized in Minnesota Statutes 85.015, and part of the abandoned grade from Willmar to Richmond has been acquired as a conversion of federally purchased property. Both await funding to complete land acquisition.
- B. Importance: Unless land acquisition proceeds, these trails will never be developed. There is also potential for lost opportunity due to the railroad selling this property if the state cannot act in time.
- C. Extent of the Problem: There are several examples of these railroad grades awaiting acquisition. This proposal is to partially fund two of those railroad grades.

III. OBJECTIVES

A. Acquisition of abandoned railroad grades

A1. Narrative: This funding will be used to partially acquire the Paul Bunyan Trail which runs from Brainerd to Bemidji. Part of this funding will complete the acquisition of the abandoned grade which runs from Willmar to Richmond.

A2. Procedures: The standard land acquisition process used by the Department of Natural Resources to appraise and negotiate railroad grades will be used to complete this objective.

A3. Budget:

a. Amount budgeted:	\$1,000,000
b. Balance:	\$ -0-

A4. Product Time Line: Because of the difficult and lengthy process of acquiring railroad grades, we project full acquisition described in this work program to be completed by the end of the upcoming biennium, June 30, 1993.

A5. Status: It is our intention to combine this funding with our previous capital improvement funding to present an acquisition package to the Burlington Northern Railroad for the Paul Bunyan railroad grade which is currently being appraised. Upon approval of this work plan we will begin the process of appraisal and negotiations for the Hawick to Richmond segment of the abandoned grade from Willmar to Richmond.

\$650,000 of this appropriation went toward the acquisition of the Paul Bunyan; so far the acquisition cost has been 1.5 million dollars. Negotiations through the cities of Pequot Lakes, Nisswa, and Pine River are ongoing. The acquisition of the grade from Hawick to Richmond is just in the initial stages.

The appraisal for the Hawick to Richmond grade was due June 1, 1992. We have been informed that we will receive the appraisal by July 15. We anticipate the negotiations process with Burlington Northern to start in August.

We have been negotiating with Burlington Northern on these parcels and are very close to closing on Hawick to Richmond. There are still some problems in negotiating a trail through Pequot Lakes, Nisswa, and Pine River on the Paul Bunyan State Trail. Progress has been made in negotiations on these parcels and we are much closer in agreement than we were three months ago, and it now appears that we could close on these parcels in the near future.

The acquisition of these parcels was completed in June.

- A6. Benefits: Funding of this proposal will allow two important trails to proceed toward full development and public use.

IV. EVALUATION

Results of this project will be determined by the successful acquisition of the railroad grades in question.

V. CONTEXT

- A. Current and previous work is inadequate for future needs because of a lack of acquisition funding for these and other projects.
- B. The proposed work will supplement existing appropriations and will allow trail acquisition to take place.
- C. Trail acquisition has historically taken place with a combination of capital improvement bonding funds from various bienniums. The Legislative Commission on Minnesota Resources (LCMR) funded an initiative to lease and secure these railroad grades in the previous biennium. Because of a lack of interest in the railroad to negotiate and come to an agreement, these leases have not been completed. However, the existence of our proposed lease and our negotiations has kept the railroad from selling the railroad grades in question. Until such time, we will keep our proposal on the table to lease the grades in question so that the railroad understands that we are committed to acquiring the railroad grades for trail purposes.

VI. QUALIFICATIONS

1. Program Manager

- a. The program manager is the Director of the Trails and Waterways Unit. Professional recreational program managers within the Trails and Waterways Unit, as well as the Department of Natural Resources' Bureau of Real Estate Management, will be utilized also.

VII. REPORTING REQUIREMENTS

Semiannual status reports will be submitted not later than January 1, 1992, July 1, 1992, January 1, 1993 and a final status report by June 30, 1993.