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To the State Legislature and the People of Minnesota:

We believe that RESOURCE 2000, a six-year bonding program, offers the most practical and economic means of resolving the ever present dilemma of acquiring and paying for the lands needed to provide healthful outdoor recreational opportunities for our citizens and natural habitat for our fish and wildlife.

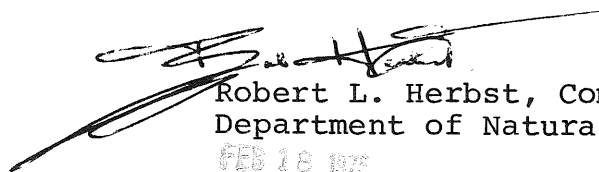
We are faced with a choice, and it cannot be delayed. The lands to be acquired under the bonding program are daily being lost for recreational or habitat use to the land developer, the drag line and the bulldozer.

Where natural lands are still available for purchase, escalating prices are a guarantee that acquisition costs in the future will be higher, not lower, than they are today.

If we are surprised at the current costs of such land, we have only to look to other states, notably in the eastern United States, to observe the prices being paid there for park lands, lakeshore and other outdoor recreational areas.

When the benefits and costs of this program are reviewed in the years to come, I am certain that all will agree that Minnesota made a wise investment in its future.

Sincerely,



Robert L. Herbst, Commissioner  
Department of Natural Resources  
FEB 18 1975

# THE PROBLEM

Opportunities for the public to enjoy the outdoors in Minnesota are, in general, limited by the availability of public lands and waters. With the exception of certain industry-owned forest lands and reservoir shorelands controlled by utility companies, most private lands are no longer open to the general public. The shores of many of Minnesota's lakes and streams are now extensively developed by private and commercial owners and no longer open to the public. In many cases, public use is confined to relatively small boat access sites and swimming areas, or to locations where the state or other governmental unit has established a park, forest, or campground.

Many private farm lands that were once open to the public for hunting purposes are now closed except to the land owners or his guests.

As the population has risen, recreational lands and waters have had to accommodate increasing numbers of people. At the same time, competing land uses have removed from the public's use areas that were previously available.

This means that public agencies, such as the Department of Natural Resources, who have been assigned the responsibility of providing outdoor recreation opportunities for the public, must acquire needed lands and develop them.

However, land is becoming increasingly expensive and difficult to acquire. Prime recreational lands boasting outstanding scenic

values and other desirable qualities are in high demand, particularly in locations easily accessible from centers of population.

At the present rate of acquisition, it is estimated that the DNR's recreational land needs would not be met until sometime in the next century.

Further, the price of such lands have begun to rise sharply and there seems little likelihood that land values will ever decline. On the contrary, it is predicted that land prices will continue to escalate as the demand for these lands increases and more acreage is acquired and developed for private or commercial use.

If the state is ever to acquire these lands at a cost it can reasonably afford it must act within the next few years.

After extensive research, discussion and review of the state's recreational land needs and acquisition problems, it is the judgment of the Department of Natural Resources that the most expeditious and financially feasible solution is a bonding program.

A careful study of current and estimated land needs and costs indicates that \$100 million must be expended over the next six years to bring into state ownership those lands having the highest priority from the standpoint of recreational demand and management efficiency.

The urgency of this situation is well documented in the 1974 Minnesota State Outdoor Recreation Plan (SCORP). SCORP is designed to provide a guide and framework for management, protection and development of the outdoor recreation system. The Policies, Objectives, Findings & Actions section of SCORP indicates that emphasis has been placed upon acquiring "lands to provide protection to unique land-forms; lands to maintain the esthetic integrity and to assure economical management of existing state parks . . .". With fish and wildlife habitat as the only major exceptions, SCORP's acquisition goal for the State-Administered Recreation System is dominated by proposed acquisitions within the statutory boundaries of parks-recreation areas (also the Memorial Hardwood and Sand Dunes State Forests) where precisely targeted acquisitions together with a substantially increased planning program is expected to result in improved use and management of the entire system. Through the presentation of background information, outlining of needs and deficiencies, the setting of priorities, and alternatives for action, SCORP has been utilized in the formulation of this bonding program, and will continue to



be used in its implementation.

- An important element in the bonding program is the acquisition of scattered tracts of private land located within the established boundaries of State Parks and Recreation Areas. Contrary to popular belief, the State does not own all of the land within State Parks and Recreation Areas and the public is denied use of most of these non-state holdings. Of the total of over 50,000 acres not presently controlled by the Department, there are 32,200 acres in private ownership with the remaining acres divided among federal, trust fund, tax forfeited and municipal ownership.

To acquire these lands and others needed to provide adequate recreational opportunities for camping, land and water trails, hunting and fishing, the Department proposes to complete the acquisition program in three phases.

The following table shows the program for which the lands will be acquired together with the acreage and costs for each:

| <u>PROGRAM</u> | <u>MANAGEMENT</u>  | <u>ACRES</u> | <u>COST</u>  |
|----------------|--|--------------|--------------|
| Parks          | Private lands within state park boundaries; one new park; presently authorized corridor trails | 43,250       | \$43,500,000 |
| Rivers         | Designated wild, scenic, recreational rivers   | 15,000       | 7,500,000    |
| Forestry       | Primarily Memorial Hardwood and Sand Dunes State Forests                                       | 50,000       | 18,500,000   |
| Wildlife       | Several Wildlife Management Areas (public hunting sites, refuges)                              | 175,000      | 26,000,000   |
| Fisheries      | Trout stream protection and access; shoreland spawning areas; rough fish control structures    | 10,000       | 4,500,000    |

The cost figures shown include allowance for estimated land cost increases during the six year period and also for costs associated with acquisition such as appraisal, negotiation, legal assistance, surveying, mapping and relocation.

During the first phase of the program, (1975-77 biennium) the DNR would expend \$20 million for the acquisition of 54,000 acres. For the 1977-79 biennium, \$40 million would be allotted, and the final \$40 million expended during the 1979-81 biennium.

The three-phase feature of the acquisition program will allow the DNR to gain valuable experience and information and to refine its methods and procedures so as to achieve maximum results from the funds expended.

The legislature will be able to review each phase of the program at the beginning of the biennium. Changes in needs and priorities can be reflected in the spending plans for each phase, thus insuring flexibility.

Expenditures for the first phase of the program will be apportioned according to the following table. Lands to be acquired first are those needed to prevent destruction of irreplaceable natural resources and those where delay in acquisition would mean payment of exorbitantly inflated prices.

| <u>PROGRAM</u> | <u>TOTAL<br/>ACRES</u> | <u>AV. RAW LAND COST<br/>PER ACRE '74</u> | <u>TOTAL RAW<br/>LAND COST '74</u> | <u>TOTAL</u> |
|----------------|------------------------|---|------------------------------------|--------------|
| Parks          | 13,255                 | 516                                       | \$ 6,844,150                       | \$10,000,000 |
| Rivers         | 1,575                  | 381                                       | 600,000                            | 1,000,000    |
| Forestry       | 10,000                 | 200                                       | 2,000,000                          | 3,000,000    |
| Wildlife       | 26,075                 | 142                                       | 3,701,150                          | 5,000,000    |
| Fisheries      | 3,095                  | 226                                       | 700,000                            | 1,000,000    |
| Totals         | 54,000                 |   | \$13,845,300                       | \$20,000,000 |

Slightly over one-third of the private holdings within State Park and Recreation Area boundaries will be acquired during the first phase. In addition, one new major State Park is planned, providing its establishment is approved by the Legislature. The new park would be located within a 10,000 acre area near Silver Bay on the North Shore of Lake Superior. Part of the area is of outstanding scenic value and includes several small lakes located high in the hills in back of Silver Bay. A 1971 state study recommended it as one of the seven top priority areas in Minnesota deserving protection. The site was also recently proposed as a taconite dumping area by Reserve Mining Company but this met strong opposition from the state and was rejected by the courts. Approximately one-half of the site is in private ownership with the majority available for purchase.

Given their esthetic quality and proximity to existing recreational areas and facilities, the private lands within authorized boundaries of State Parks and Recreation Areas are highly marketable and several are being threatened by private development. Unique natural and scenic sites are being destroyed and other uses are being made of such lands which are not compatible with the primary purpose of a State Park: protecting for public enjoyment our unique natural and historic sites. Such lands should be purchased now to minimize the loss of irreplaceable resources necessary to maintain the integrity of parks established by state law, and to firmly secure and establish Minnesota's Outdoor Recreation System for the foreseeable future.

Related to the acquisition needs of state parks is the need to acquire corridors for multi-use trails. The Department has been given the responsibility, under state statutes, of developing 11 overland corridor trails. These corridor trails will serve as connecting



links between state parks, state forests, and other state-owned lands.

Within recent years, Minnesota has seen a re-kindling of interest in the recreational opportunities associated with rivers and streams. Canoeing, boat touring and camping have registered a remarkable increase in popularity. In response, the state and federal governments and other agencies have sought to protect the shorelines of scenic streams to preserve their natural character. At the same time, private and commercial interest have been attracted by the opportunities for development and profit of these shorelands, making it imperative that the lands be acquired in some manner before they are lost for public enjoyment and use.

During the first two years of the bonding program, the DNR proposes to acquire through scenic easement or fee title 1,575 acres along the shores of the state's designated wild, scenic and recreational rivers.

An awakening to the opportunities for outstanding outdoor recreation available within designated State Forests has focused increased public attention on these lands during the past decade. Much of the land within these Forests are not in public ownership, nor does the state propose that all such private or other non-state owned lands be acquired. However, seasonal and permanent residential and commercial development is occurring throughout the Forests in a haphazard manner. If allowed to continue in certain areas, much of the future recreation and resource potential of the Forests will be lost. In addition, there are lands adjoining, or surrounded by, present State Forest land areas which would consolidate state ownership -- making it possible to extend recreational facilities, such as trails, and to improve forest management.

During the first phase of the program the DNR would acquire 10,000

acres in State Forests to protect and consolidate existing holdings.

In addition to providing protection and improved management, other benefits would include opportunities for public recreation, enhancement of wildlife habitat, new access to streams and lakes, increased timber production and better control of erosion on watersheds.

A substantial proportion of the new acquisition would take place in the Memorial Hardwood State Forest in southeastern Minnesota.

In viewing the outlook for hunting in Minnesota, it is clear that the future of this sport depends almost completely upon the quality and quantity of wildlife habitat that can be provided, protected and preserved during the coming years. This task becomes more difficult and costly each year with the rising prices of land and demand for farm products.

The most critical area of the state is in the agricultural zone of southern and western Minnesota where habitat for ducks, pheasant, grouse, prairie chicken and other species is constantly being lost to intensive cultivation and drainage of small wetlands. The DNR has found that the only practical way to preserve wildlife habitat on a substantial scale in agricultural areas is through land acquisition. The outstanding success of the "Save the Wetlands" program in protecting wildlife proves the effectiveness of acquisition programs, however such lands are increasingly costly. Thousands of acres continue to be lost each year to the drainage ditch and the plow. Funds are needed now before these areas and the wildlife and recreation they support are lost forever.

During the first phase of the program, the Department plans to acquire 26,075 acres of these lands for wildlife habitat, public

hunting and other compatible public uses.

There is room in Minnesota's agricultural area both for fertile fields and wildlife habitat. With the aid of the bonding program the Department will be able to preserve the tradition of fine sport hunting that has so long been a feature of this rich land.

As in the case of wildlife habitat, the importance of habitat in providing sport fishing is not generally appreciated by the public. The most critical portions of lakes and streams - and those most threatened with destruction at the present time - are the shallow areas on and near the shores. It is this area that provides the spawning ground for most fishes and also produces virtually all of the food used in the complex chain of life existing in rivers and lakes.

These shorelands are continually losing their value as fish habitat as they are filled, ditched and otherwise altered to facilitate private and commercial development. Areas threatened with destruction must be brought under the protection of public control, and on waters where the habitat has deteriorated or critical elements lost there must be restoration or creation of the habitat. Only in this way can the state continue to provide the level of fishing success expected by state residents and tourists.

During the first phase of the bonding program, the DNR plans to acquire 3,095 acres adjacent to lakes and streams to maintain and enhance fish populations.

Included in the benefits of the fisheries acquisition program will be greater access to trout streams, protection of spawning and rescue sites for northern pike and other species, and improved control over rough fish populations.

The cost of the two-year first phase bonding program of \$20 million dollars also involves payment of interest on the bonds. The debt service schedule is based on the following assumptions:

- (1) \$20 million in bonds will be sold in the next 2 years (1975-77).
- (2) The bonds will mature in 20 years.
- (3) Interest on the bonds will be 5.5% per year.

The total cost of paying back the principal and interest on the bonds over a 20 year period will be \$33,910,875. This amounts to an average annual debt service of \$1,695,715 for each of the 20 years.

The total cost of the six year \$100 million bonding program, based on selling \$20 million in bonds in each of the years from 1977 to 1980 and the other assumptions above, will be approximately \$168 million, or an average annual debt service of about \$6,461,540 for each of the 26 years.

Financing of the bonding program would be accomplished largely through receipts accruing to the general revenue fund. These receipts result from various taxes, largely the income and sales tax. Since the bonding program is designed to benefit the lives and welfare of all state citizens, it follows that all citizens should help defray its costs. Of course, many millions of dollars in sales taxes are also derived from out of state visitors and tourists, who will also benefit from the bonding

program in the form of new and improved recreation opportunities.

In addition to this source of funds, the Department recommends that the Minnesota Legislature enact a one cent increase to the cigarette tax earmarked for resource and recreational programs. This increase, to be used only for bond retirement purposes, would generate \$4 million per year. This figure, together with an annual appropriation of \$2 1/2 million from the general revenue fund, would provide the necessary monies to retire the bonds.

Some financial assistance in the form of federal reimbursement for recreation-oriented acquisition and development will be received through the U.S. Land and Water Conservation Fund Act. This measure was passed by the Congress in 1965 to provide urgently needed recreation areas and facilities. Minnesota has been an active participant in the program and has received its full share of available federal funds. The program provides federal funds to finance recreation projects on a cost-sharing basis. Currently, Minnesota is eligible to receive about \$1.7 million annually, providing that the full \$300 million authorized by the Congress is appropriated. Some of these funds could conceivably be used to help pay the costs of the bonding program.

Income from hunting and fishing license receipts, state park entrance fees and other state sources are presently only sufficient to meet current levels of operation and are not legally available to pay for the accelerated land acquisition program.

Current levels of acquisition, maintenance and development must be continued and the bonding program enacted to meet the natural resource needs of the immediate future.



