

# Natural Resources

# Projects Summary

(\$ in thousands)

Project Title	Rank	Fund	Project Requests for State Funds			Gov's Rec	Gov's Planning Estimates	
			2018	2020	2022	2018	2020	2022
Natural Resources Asset Preservation	1	GO	130,000	130,000	130,000	130,000	130,000	130,000
Natural Resources Betterment of Buildings	2	GO	20,000	20,000	20,000	10,000	0	0
Natural Resources Acquisition and Betterment of Public Lands	3	GO	145,000	65,000	65,000	0	0	0
Improving Accessibility to State Parks and Recreation Areas	4	GO	20,000	20,000	20,000	10,000	0	0
Lake Vermilion Soudan Underground Mine State Park	5	GO	13,000	15,000	15,000	0	0	0
Flood Hazard Mitigation Grant Assistance Program	6	GO	20,000	20,000	20,000	20,000	20,000	20,000
Dam Safety Repair, Reconstruction or Removal	7	GO	2,000	5,000	5,000	1,000	1,000	1,000
Parks and Trails Local and Regional Grant Program	8	GO	2,000	2,000	2,000	0	0	0
<b>Total Project Requests</b>			<b>352,000</b>	<b>277,000</b>	<b>277,000</b>	<b>171,000</b>	<b>151,000</b>	<b>151,000</b>
<b>General Obligation Bonds (GO) Total</b>			<b>352,000</b>	<b>277,000</b>	<b>277,000</b>	<b>171,000</b>	<b>151,000</b>	<b>151,000</b>

**AT A GLANCE**

**Conserve, and manage natural resources**

- Manage **1.3 million** acres of wildlife management areas, **4.23 million** acres of state forest and **191,000** acres of scientific and natural areas.
- Protect, monitor, enhance and restore habitat on **5,500** fishing lakes and **16,000** miles of streams and rivers.
- Manage **2,800** surface-water monitoring sites.

**Get people outdoors**

- Operate **75** state parks and recreation areas, **43** state forest campgrounds and **9** state waysides.
- Manage **2.4 million** license sales and **1.4 million** boat/vehicle registrations.
- Manage more than **26,200** miles of trails for hiking, biking, snowmobiles, off-highway vehicles, horseback riding and cross-county skiing.
- Manage **1,700** public water accesses, **368** fishing piers and **35** water trails.

**Build the economy**

- Manage fishing, hunting and wildlife-watching activities supporting **48,000** jobs and **\$3.8 billion** in economic activity.
- Manage **12 million** acres of state mineral rights contributing directly to the mining economy, including 3.5 million acres of school trust lands.
- Meet certification requirements on **5 million** acres of state forest lands that provide timber, habitat, clean water and recreational opportunities, including 2.5 million acres of school trust lands.

**Serve the public**

- Manage **2,712** facilities statewide, of which 168 are in inadequate condition and 505 are in poor condition.
- Direct an annual budget of roughly **\$550** million.
- **4,479** Employees worked **5.6 million** hours, which equates to **2,677** full time equivalents.

**PURPOSE**

**Our mission is to work with citizens to** 1) Conserve and manage natural resources, 2) Provide outdoor recreation opportunities; and 3) Provide for commercial uses of natural resources in a way that creates a sustainable quality of life.

**We fulfill our mission by:**

- **Conserving** the diversity of land, waters, and wildlife so citizens can enjoy the outdoors and benefit from natural resources and related industries.
- **Encouraging** citizens to get outdoors to enjoy the state’s natural wonders.
- **Promoting** responsible use of resources for our collective economic benefit.
- **Managing** an outdoor recreation system that provides hunting, fishing, wildlife-watching, camping, skiing, hiking, biking, motorized recreation, and conservation education.
- **Protecting and promoting** healthy waterways and ground water.
- **Managing** state forests, mineral rights, and school-trust lands for maximum long-term economic return.

**We contribute to the statewide outcomes of:**

- A clean, healthy environment with sustainable uses of natural resources.
- A thriving economy that encourages business growth and employment opportunities.
- Strong and stable family and communities.
- People in Minnesota are safe

**STRATEGIES**

To accomplish our mission, we use the following strategies:

1. **Conserve and enhance waters, natural lands, and fish and wildlife habitats.** We work closely with partners to conserve critical lakes, wildlife and waters by:
  - Actively manage groundwater through monitoring, permitting, education and enforcement to ensure sustainable use and quality across the state.
  - Working with farmers, landowners, local officials and citizens to promote conservation of prairies, grasslands and wetlands.

- Implementing programs to prevent and curb the spread of invasive species.
  - Advancing programs that inventory and monitor the status of natural lands, waters and species.
2. **Provide outdoor recreational opportunities.** We support a robust tourism economy and a high quality of life that attracts people and business to the state by:
    - Implementing programs such as the “I Can” series and “Learn to Hunt” that provide affordable outdoor learning experiences to beginners.
    - Increasing the use of user friendly, digital recreation information, such as new websites and mobile apps.
    - Implementing a parks and trails integration plan to improve existing systems and attract future users.
  3. **Manage natural resources for sustainable economies, and communities.** Through recreation tourism, forest products, and mineral and water resources, we help generate billions of dollars a year for the state by:
    - Maintaining diverse, healthy, sustainable and productive forests that meet certification standards.
    - Researching and developing mining technologies that protect the environment.
    - Improving data management systems to provide better access and analysis of groundwater and surface water data for sustainable communities.
    - Leasing mineral rights and real estate and selling land and timber from the school trust lands.
  4. **Achieve operational excellence in service to citizens.** We strive to continually improve services offered to citizens by:
    - Increasing use of plain language and presenting information in easy-to-understand formats.
    - Addressing grossly inadequate buildings and ensuring all facilities are safe, accessible, and comply with today’s building codes.
    - Protecting public safety with Americans with Disabilities Act (ADA) standards at DNR facilities, parks, trails, and other facilities.
    - Maintaining work standards that reinforce positive and professional conduct, promote diversity, and support staff training and development.
    - Working to increase department energy efficiency and renewable energy use that reduces costs and minimize environment impacts.
    - Developing “continuous improvement” project to improve public service and customer satisfaction.

Department of Natural Resources legal authority comes from Minnesota Statutes:

- 84, (<https://www.revisor.mn.gov/statutes/?id=84>)
- 84A-84D, (<https://www.revisor.mn.gov/statutes/?view=part&header=CONSERVATION>)
- 85-87A, (<https://www.revisor.mn.gov/statutes/?view=part&header=RECREATION>)
- 88-91, (<https://www.revisor.mn.gov/statutes/?view=part&header=FORESTRY>)
- 92-94, (<https://www.revisor.mn.gov/statutes/?view=part&header=LANDS+AND+MINERALS>)
- 97-102, (<https://www.revisor.mn.gov/statutes/?view=part&header=GAME+AND+FISH>)
- 103A, (<https://www.revisor.mn.gov/statutes/?id=103A>)
- 127A (<https://www.revisor.mn.gov/statutes/?id=127A>)

### At A Glance

The mission of the 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 seeks to achieve the following goals to fulfill its mission:

- **Goal 1:** Minnesota's waters, natural lands, and diverse fish and wildlife habitats will be conserved and enhanced.
- **Goal 2:** Minnesota's outdoor recreation opportunities meet the needs of new and existing participants so all benefit from nature.
- **Goal 3:** Management of Minnesota's natural resources will contribute to strong and sustainable job markets, economies, and communities.
- **Goal 4:** DNR will have operational excellence and a focus on continuous improvement in service to citizens.

### Factors Impacting Facilities or Capital Programs

Historically the DNR has not had enough natural resource asset preservation funding to keep pace with the maintenance needs of our existing facilities. The DNR capital asset plan accounts for the increasing need to upgrade our aging infrastructure as well as the additional cost of deferred maintenance.

Minnesota is facing unprecedented change regarding natural resources and how the public interacts with natural resources. Accelerating shifts in climate are anticipated to have significant impacts on Minnesota's lands and waters and are likely to intensify the negative effects of wildfires, invasive species, and disease on the state's resources. These impacts threaten the resiliency of Minnesota's lands, waters, wildlife and recreational opportunities. Demand for water is increasing rapidly and more information is needed to ensure water supplies are managed sustainably. Further, demographic shifts and changing users necessitate better accessibility.

DNR has formulated a 2018 Capital Budget request that serves to implement the department's goals and address changing conditions and shifting demands.

Goal 1: Minnesota's waters, natural lands, and diverse fish and wildlife habitats will be conserved and enhanced. Conservation of Minnesota's natural lands and waters is core to DNR's mission. DNR is accelerating efforts to prevent and curb the spread of harmful invasive species, target conservation in prairie and forest landscapes, and develop more effective approaches to lake, river, and aquatic habitat conservation. The 2018 Capital Budget requests include funding for the strategic acquisition and betterment of public lands.

Goal 2: Minnesota's outdoor recreation opportunities meet the needs of new and existing participants so all benefit from nature. Outdoor recreation opportunities support the state's robust tourism economy, contribute to a high quality of life, help keep established communities competitive and attract new businesses and a skilled workforce. The 2018 Capital Budget requests serve to ensure people have access to high-quality, diverse outdoor experiences by providing for the development and improved accessibility of parks and trails and conservation areas.

Goal 3: Management of Minnesota's natural resources will contribute to strong and sustainable job markets, economies, and communities. Investing in Minnesota's vital natural resource economies is critical to maintaining the long-term economic health of the state. Minnesota's natural resource-based economies – including recreational tourism, forest products, and mineral resources – generate billions of dollars for the state. The 2018 Capital Budget requests focus on improving the health and productivity of the state's forest lands, developing new recreation opportunities, better managing water resources, improving management of school trust lands, reducing flood risk, and leveraging capital budget investments to support local economies.

Goal 4: DNR will have operational excellence and a focus on continuous improvement in service to citizens. DNR is one of the state's largest agencies, with many work locations, varied work sites and built assets worth more than \$2 billion. Maintaining the existing infrastructure is critical to sustaining the value of the state's important assets. Through the 2018 Capital Budget request, DNR seeks to improve its delivery of conservation services, ensure the health and safety of Minnesotans, reduce operating costs, and increase efficiencies by preserving the state's assets.

## **Self-Assessment of Agency Facilities and Assets**

DNR owns and operates extensive capital assets that support the DNR's mission. This includes many buildings, millions of acres of land, waterways, parks, trails, and more. Preserving and renewing the existing infrastructure is a priority for the DNR. In 2015 the DNR went through an extensive asset review that resulted in the 10-Year Capital Asset Needs Report. The DNR also conducts ongoing facilities condition assessments to determine the most critical needs amidst changing conditions.

DNR has identified millions of dollars in unmet capital investment needs across the state. Natural resources asset preservation (M.S. 84.946) is a critical investment to maintain and improve the department's capital resources and to provide reasonable and safe places to work and recreate. The DNR capital asset plan indicates that over the next 10 years, more than \$400 million is needed to fund deferred maintenance and renew and replace obsolete or inadequate assets. Additionally, acquisition of key parcels and betterment of public lands is needed to fully meet program goals.

- Buildings in unacceptable or poor condition: DNR owns and actively maintains 2,712 buildings encompassing 2.9 million square feet of floor space at approximately 225 locations statewide with a replacement value of more than \$644 million. In addition to office, workspace, and storage facilities, DNR owns and manages park visitor centers, sanitation buildings, fish hatcheries and more. Nearly one-third of DNR's buildings are more than 50 years old and only 25 percent of the department's buildings align with today's design and building standards. Many of these buildings are not considered adequate work environments due to major issues, such as mold or leaking roofs. The facility condition assessment (as of August 1, 2017) identified 168 buildings in unacceptable condition and 505 buildings in poor condition. Addressing just the buildings in unacceptable and poor condition would cost over \$56 million.
- Deteriorating roads and bridges: DNR has more than 3,300 miles of forestry, wildlife, and state parks roads with approximately 175 bridges. This infrastructure needs an investment of over \$30 million to address deficiencies.
- Resurfacing trails: Of the 620 miles of paved state trails, 300 miles need resurfacing (which should be done every 20-25 years). A responsible maintenance plan for the trail system would include resurfacing 30 miles per year at an annual cost of \$3 million.
- Aging trail bridges: DNR has approximately 650 trail bridges, including more than 100 bridges over 100 years old. To bring these bridges up to current standards over the next 10 years would take \$12 million annually and subsequently \$2 million annually for maintenance.
- Flood risk prevention: Flood mitigation and risk prevention are very cost-effective investments; \$1 expended averts \$4 in future damage. Minnesota has made significant improvements in this area and the remaining flood risk is primarily to structures built before the floodplain zoning regulations became effective in 1969. Approximately \$15 million annually in additional funding for four years would substantially address the remaining community flood protection projects. Flood water retention projects (primarily impoundments in the Red River Valley) are being planned to augment the community protection.
- Aging public dams: An estimated \$94 million is needed over the next 20 years to improve the state's 635 public dams (346 state and 289 local), most of which are over 50 years old and require ongoing or emergency repairs and reconstruction to protect public safety and property. The grant program provides a 50% cost sharing agreement for non-state owned dams.
- Needed water monitoring: Approximately 7,000 ground water monitoring wells are necessary to ensure adequate assessment of ground water availability for water supply planning, but the state's current network only includes 850 wells. \$1 million annually is needed to expand the network in the most critical areas to bring the state up to adequate levels
- Maintaining sustainable forests: The forest industry, supporting 60,900 jobs in Minnesota, is a \$16.2 billion economic engine that relies on a healthy forest to maintain a sustainable industry. DNR administers 4.2 million acres of forests located in state forests and in wildlife management areas. To ensure a sustainable supply of wood fiber, of the 35,000 acres harvested annually on state-administered land, 18,000 acres needs to be replanted and tended. Another 6,000

acres are treated to improve the health and vigor of the forest. Ensuring the sustainability of DNR forests requires \$3 million a year and the acquisition of key state forest parcels.

- Supporting recreational fishing: DNR's fish hatcheries support a robust recreational fishing industry by raising and stocking approximately 2.2 million fish. This effort supports over 43,000 fishing related jobs, \$1.36 billion in salaries and business earnings, and \$2.8 billion in retail sales. Approximately \$10 million annually over the next six years is needed for improvements to existing hatcheries to ensure continued safe and efficient operation.
- Supporting conservation lands: Wildlife management areas, aquatic management areas, scientific and natural areas, native prairies and state parks and trails all require some level of development to ensure the public has adequate access. This includes access roads, parking lots, fencing, sign posting, sanitation facilities and ADA accessibility. Acquisition of key parcels and inholdings requires about \$30 million.

Based on funding levels, DNR prioritizes its work to address the most critical needs

### **Agency Process for Determining Capital Requests**

The 2018 Capital Budget request is based on a strategic planning process that focused on the department's goals and four-year strategies, maintaining a strong conservation infrastructure, job creation and economic development, accessibility and safety, natural resource asset preservation, sustainability and cost savings. The budget development process included an agency-wide interdisciplinary approach where a DNR capital budget team representing all major programs developed budget proposals based on these objectives. Finally, DNR leadership met to review and discuss the budget proposals and the Commissioner's Office made the final determination on the DNR's 2018 Capital Budget requests.

### **Major Capital Projects Authorized in 2016 and 2017**

2017 Projects:

- Natural Resource Asset Preservation
- Flood Hazard Mitigation Grants
- Dam Safety Repair, Reconstruction and Removal
- Parks & Trails Development
- State Land Reforestation and Stand Improvement

Natural Resources Asset Preservation

**AT A GLANCE**

**2018 Request Amount:** \$130,000

**Priority Ranking:** 1

**Project Summary:** \$130 million in state funds is requested for the repair and renovation of the Department of Natural Resources (DNR) capital assets (including buildings, roads, trails, water accesses, bridges, recreational facilities and more) to assure they are safe and functional for the recreating public, support the preservation of Minnesota’s natural resources and preserve the state’s investment in its capital assets.

**Project Description**

The value of DNR buildings and recreation sites is almost \$3.0 billion and to keep everything in safe and usable condition requires significant repair, renovation and renewal. This \$130 million request under MS 84.946 is for the following:

- **Buildings:** \$60 million for renewal of existing buildings, particularly providing much needed funding to bring building components identified by the Facility Condition Assessments as being in crisis or poor condition up to acceptable or better condition. Special focus will be paid to safety, accessibility, code compliance work, roof replacements, replacement of antiquated, inefficient mechanical systems and providing safe work environments. Potential projects include Zimmerman, Hutchinson, Windom, Talcot WMA, Lanesboro Hatchery and the Soudan hoist.
- **Water and Wastewater Systems:** \$30 million for statewide septic and water systems including Itasca State Park, Whitewater State Park, Myre-Big Island and McCarthy Beach State Park. Many sanitation buildings at state parks are grossly inadequate. Potable water supplies and wastewater systems need to be brought into compliance with Department of Health and Pollution Control Agency standards.
- **Energy** \$6 million for installation of renewable energy systems, lighting retrofits and HVAC energy efficiency upgrades in Grand Rapids, Hibbing, Brainerd and Detroit Lakes.
- **Roads and Bridges:** \$14 million to provide critical rehabilitation and replacement of roads and bridges in state forests (MS 89.002, Subd. 3), state parks and wildlife management areas. DNR has over 3,300 miles of roads that provide access to over 5 million acres of state forest lands, state parks and recreation areas, wildlife management areas and hatcheries.
- **Trails and Trail Bridges:** \$12 million to provide renewal and replacement, paving and aggregate trail resurfacing, culvert and bridge replacements, erosion control and accessibility improvements for priority projects at Root River, Gateway, Willard Munger and Blufflands State Trails. DNR has over 600 miles of paved trails and thousands of miles of natural surface trails. These systems have over 650 bridges with more than 100 bridges that are over 100 years old.
- **Water Access Sites:** \$5 million to develop and improve the design of existing public water access sites to implement best management practices (BMPs) for shoreland management, aquatic invasive species (AIS) management and universal design (ADA) components. Priorities include projects at Mille Lacs, Vermilion, Detroit Lake and replacement of fishing piers statewide.

- Water Control Structures: \$3 million for water control structures that provide core waterfowl habitat on key shallow lakes and significant wetlands. DNR Fish and Wildlife manages over 600 dikes, water control structures and fish barriers across Minnesota. These structures are deteriorating and require repair or replacement to maintain existing investments in the state's fish and wildlife resources. Projects would include work at Roseau, Wood Lake, Thief Lake, Badger WMAs and fish hatchery ponds.

DNR manages a broad range of building and recreational facilities located in all 87 Minnesota Counties. Specifically, DNR has 2,712 buildings in over 225 locations around the state, 75 state parks and recreation areas, 9 waysides, 43 forest campgrounds, 3,300 miles of roads, 620 miles of surfaced state trail, over 1,000 bridges and culverts, 1,700 water access sites, 600 water control structures, 19 hatcheries, 368 fishing piers and thousands of miles of hiking trails, all of which require periodic renewal.

### **Project Rationale**

DNR parks, trails and forests are enjoyed by visitors from across the state. DNR's assets have been neglected because of insufficient funding and the deferred maintenance is significant and costly. Over the next 10 years, more than \$40 million a year is needed to bring the facilities to average condition or better. The facility condition assessment shows that of about 2,700 buildings, 191 buildings are in crisis condition and 505 are in poor condition. Some bridges are weight restricted, trails are in very poor condition and resources are under-utilized because of inadequate accesses or water control structures. Some water and wastewater systems don't meet health and safety standards and must be brought into compliance.

### **Project Timeline**

Funds will be expended or encumbered by 2022, with the majority of the spending in years two and three.

### **Other Considerations**

The DNR is pursuing a comprehensive approach to energy and climate change, and has set aggressive goals for securing a more sustainable future that incorporates greater use of clean energy and reduces the state's greenhouse gas emissions. DNR leads by example in adopting renewable energy installations, (with Solar PV capable of generating 550 KW annually, installed at 32 locations around the state), installing energy-star equipment and building construction designed to operate near the net-zero level.

### **Impact on Agency Operating Budgets**

This will have a minimal impact on operating budgets.

### **Description of Previous Appropriations**

L2017 (1st SS), Ch. 8 - Bond, Asset Preservation, \$15,000,000

L2014, Ch. 294 - Bond, Asset Preservation, \$10,000,000

L2012, Ch. 293 - Bond, Roads & Bridges, \$2,000

### **Project Contact Person**

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## **Governor's Recommendation**

The Governor recommends \$130 million in general obligation bonds for this request. Also included are budget estimates of \$130 million for each planning period for 2020 and 2022.

## Natural Resources

## Project Detail

(\$ in thousands)

### Natural Resources Asset Preservation

#### PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2018	FY 2020	FY 2022
<b>State Funds Requested</b>				
General Obligation Bonds	\$ 27,000	\$ 130,000	\$ 130,000	\$ 130,000
<b>Funds Already Committed</b>				
<b>Pending Contributions</b>				
<b>TOTAL</b>	<b>\$ 27,000</b>	<b>\$ 130,000</b>	<b>\$ 130,000</b>	<b>\$ 130,000</b>

#### TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2018	FY 2020	FY 2022
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 4,050	\$ 19,500	\$ 19,500	\$ 19,500
Project Management	\$ 2,700	\$ 13,000	\$ 13,000	\$ 13,000
Construction	\$ 19,710	\$ 97,500	\$ 97,500	\$ 97,500
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 540	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 27,000</b>	<b>\$ 130,000</b>	<b>\$ 130,000</b>	<b>\$ 130,000</b>

#### IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2018	FY 2020	FY 2022
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

#### SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 130,000	100 %
User Financing	\$ 0	0 %

**STATUTORY REQUIREMENTS**

The following requirements will apply to projects after adoption of the bonding bill.

<b>Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?</b>	No
<b>Predesign Review (M.S. 16B.335 subd. 3):</b>	
Does this request include funding for predesign?	No
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
<b>Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?</b>	Yes
<b>Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?</b>	Yes
<b>Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 &amp; 6 and 16E.05 subd. 3)?</b>	N/A
<b>Will the project meet public ownership requirements (M.S. 16A.695)?</b>	Yes
<b>Will a use agreement be required (M.S. 16A.695 subd. 2)?</b>	No
<b>Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?</b>	Yes
<b>Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?</b>	Yes
<b>Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022?</b>	Yes
<b>M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required</b>	Yes
<b>M.S. 174.93: Guideway Project</b>	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

**Natural Resources Betterment of Buildings**

**AT A GLANCE**

**2018 Request Amount:** \$20,000

**Priority Ranking:** 2

**Project Summary:** \$20 million in state funds is requested to support the Department of Natural Resources' (DNR) strategic and long-term investment in its building management objectives. DNR offices, state park sanitation buildings and fish hatcheries need to be brought up to current standards and work places need to be made safe and efficient.

**Project Description**

This \$20 million request includes funds under MS 86A.12 to acquire and better buildings:

- \$2 million would support designs for future capital budget requests. Specific projects in need of design are DNR Headquarters in Bemidji (where DNR staff are scattered across three DNR-owned sites and two leased sites), the Spicer/New London area (where DNR offices are also in three locations) and the necessary expansion of the Drill Core Library in Hibbing.
- \$13 million would make significant improvements or replace buildings that are deficient, not ADA accessible, unsafe, no longer serve their intended purpose or have reached the end of their useful life, particularly buildings at International Falls, Talcot WMA, Badoura Nursery, Cloquet, park sanitation buildings and hatchery buildings.
- \$5 million would be used to construct additional storage buildings around the state. The equipment used by DNR, such as boats and fire trucks, which provide safety services to the public as well as protection of our natural resources, is becoming larger and contains highly sophisticated electronic operating systems. This equipment no longer fits in many of our existing boat houses or storage buildings and is forced to be stored outside on a regular basis. The cost of constructing storage buildings that properly stores equipment is offset in the long-term by increasing the life-cycle of the equipment.

**Project Rationale**

DNR buildings must be safe, accessible, energy efficient and located in the right locations to best serve the public and meet the agency's infrastructure needs. To meet these goals, DNR follows these guidelines:

- Configure sites and facilities to best achieve the state's conservation mission and natural resource results,
- Provide just enough facilities to support DNR's mission and not more,
- Construct and operate facilities to have the smallest environmental footprint possible, and
- Design facilities to enhance and support integrated natural resource work.

**Project Timeline**

This request has many components and all phases will be complete within the given timeframes.

## **Other Considerations**

In addition to cost reductions, it is anticipated co-location of DNR sites will enhance outdoor recreation opportunities by focusing delivery at key locations.

DNR has successfully co-located with other public entities, as evidenced by sites in Warroad (with the City), Thief River Falls (DPS and MNDOT), Blackduck (US Forest Service), and Bemidji (MNDOT), and is seeking similar opportunities.

Many of these projects do not qualify for asset preservation funding, so building betterment funding is needed.

## **Impact on Agency Operating Budgets**

This will have a minimal impact on operating budgets.

## **Description of Previous Appropriations**

L2014, Ch. 294 - Bond, Buildings, \$2,000

L2014, Ch. 294 - Bond, Hatcheries, \$2,000

L2012, Ch. 293 - Bond, Parks and Trails, \$4,000

## **Project Contact Person**

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## **Governor's Recommendation**

The Governor recommends \$10 million in general obligation bonds for this request.

## Natural Resources

## Project Detail

(\$ in thousands)

### Natural Resources Betterment of Buildings

#### PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2018	FY 2020	FY 2022
<b>State Funds Requested</b>				
General Obligation Bonds	\$ 8,000	\$ 20,000	\$ 20,000	\$ 20,000
<b>Funds Already Committed</b>				
<b>Pending Contributions</b>				
<b>TOTAL</b>	<b>\$ 8,000</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>

#### TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2018	FY 2020	FY 2022
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 1,600	\$ 4,000	\$ 4,000	\$ 4,000
Project Management	\$ 800	\$ 2,000	\$ 2,000	\$ 2,000
Construction	\$ 5,600	\$ 14,000	\$ 14,000	\$ 14,000
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 8,000</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>

#### IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2018	FY 2020	FY 2022
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

#### SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 20,000	100 %
User Financing	\$ 0	0 %

**STATUTORY REQUIREMENTS**

The following requirements will apply to projects after adoption of the bonding bill.

<b>Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?</b>	No
<b>Predesign Review (M.S. 16B.335 subd. 3):</b>	
Does this request include funding for predesign?	No
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
<b>Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?</b>	Yes
<b>Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?</b>	Yes
<b>Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 &amp; 6 and 16E.05 subd. 3)?</b>	N/A
<b>Will the project meet public ownership requirements (M.S. 16A.695)?</b>	Yes
<b>Will a use agreement be required (M.S. 16A.695 subd. 2)?</b>	No
<b>Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?</b>	Yes
<b>Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?</b>	Yes
<b>Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022?</b>	Yes
<b>M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required</b>	Yes
<b>M.S. 174.93: Guideway Project</b>	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

## Natural Resources Acquisition and Betterment of Public Lands

**AT A GLANCE****2018 Request Amount:** \$145,000**Priority Ranking:** 3**Project Summary:** \$145M in state funds is requested for the Department of Natural Resources (DNR) to acquire and better state lands in order to improve and conserve Minnesota's natural heritage, enrich public outdoor recreational opportunities and provide for the commercial uses of natural resources.**Project Description**

The project has several facets:

- **Acquisition:** \$30 million. These funds would be used to acquire (either in fee or through easements) strategic in-holdings and parcels, and critical needs for the following programs: Native Prairie Bank, Wildlife and Aquatic Management Areas, Scientific and Natural Areas, State Forests and easements to preclude the loss of large parcels of forest lands.
- **Betterment of Public Lands:** \$35 million. These funds would provide for reforestation of state lands to assure a sustainable forestry industry (89.002, Subd. 2), groundwater monitoring wells to provide sound data for water supply decisions, state trail connections to improve utilization, improvements to accommodate motorized recreation by developing camping in the Finland state forest campground, prairie restoration in parks and along trails, stream restoration projects, water access improvements and community tree invasive pest program.
- **School Trust Land Acquisition and Betterment:** \$80 million. By July 1, 2018 DNR is required under MS 84.027, Subd. 18 to provide compensation to the Permanent School Trust Fund for the acquisition of lands that contain DNR facilities that prohibit revenue generation, such as designation of Wildlife Management Areas and development of public water access sites. These funds will address that requirement. In addition, the betterment of trust lands by accomplishing reforestation and improvement of forest roads can increase compensation to the School Trust.

**Project Rationale**

This funding is needed to improve the management and conservation of the natural resources of the state as provided for in 86A.12. Proper management of natural resources and recreational improvements benefit help to ensure a prosperous and healthy Minnesota.

Additionally, this funding would allow the DNR to address the requirements under MS 84.027, Subd. 18 regarding the School Trust Fund.

**Project Timeline**

This request has many components and all phases will be complete within the given timeframes.

**Other Considerations**

Acquiring holdings is the highest priority.

## **Impact on Agency Operating Budgets**

This will have a minimal impact on operating budgets.

## **Description of Previous Appropriations**

L2017 (1st SS), Ch. 8 - Bond, Reforestation, \$1,000,000  
L2017 (1st SS), Ch. 8 - Bond, Parks and Trails, \$14,548,000  
L2017 (1st SS), Ch. 8 - Bond, St. Paul Invasive Tree Pests, \$1,500,000  
L2014, Ch. 294 - Bond, Reforestation, \$2,963,000  
L2014, Ch. 294 - Bond, Parks and Trails, \$18,917,000  
L2012, Ch. 293 - Bond, Reforestation, \$2,500

The Wildlife Management Area (WMA), Aquatic Management Area (AMA), Scientific and Natural Area (SNA), Native Prairie Bank (NPB) and Groundwater Monitoring programs are also supported in part by the Outdoor Heritage Fund, Clean Water Fund and/or the Environment and Natural Resources Trust Fund.

## **Project Contact Person**

Kent Lokkesmoe  
Director of Capital Investments  
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## **Governor's Recommendation**

The Governor does not recommend capital funding for this request.

## Natural Resources

## Project Detail

(\$ in thousands)

### Natural Resources Acquisition and Betterment of Public Lands

#### PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2018	FY 2020	FY 2022
<b>State Funds Requested</b>				
General Obligation Bonds	\$ 41,428	\$ 145,000	\$ 65,000	\$ 65,000
<b>Funds Already Committed</b>				
<b>Pending Contributions</b>				
<b>TOTAL</b>	<b>\$ 41,428</b>	<b>\$ 145,000</b>	<b>\$ 65,000</b>	<b>\$ 65,000</b>

#### TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2018	FY 2020	FY 2022
Property Acquisition	\$ 0	\$ 110,000	\$ 23,100	\$ 23,100
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 6,215	\$ 5,250	\$ 9,750	\$ 9,750
Project Management	\$ 3,315	\$ 2,800	\$ 5,200	\$ 5,200
Construction	\$ 31,898	\$ 26,950	\$ 26,950	\$ 26,950
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 41,428</b>	<b>\$ 145,000</b>	<b>\$ 65,000</b>	<b>\$ 65,000</b>

#### IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2018	FY 2020	FY 2022
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

#### SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 145,000	100 %
User Financing	\$ 0	0 %

**STATUTORY REQUIREMENTS**

The following requirements will apply to projects after adoption of the bonding bill.

<b>Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?</b>	No
<b>Predesign Review (M.S. 16B.335 subd. 3):</b>	
Does this request include funding for predesign?	No
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
<b>Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?</b>	N/A
<b>Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?</b>	Yes
<b>Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 &amp; 6 and 16E.05 subd. 3)?</b>	N/A
<b>Will the project meet public ownership requirements (M.S. 16A.695)?</b>	Yes
<b>Will a use agreement be required (M.S. 16A.695 subd. 2)?</b>	No
<b>Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?</b>	Yes
<b>Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?</b>	Yes
<b>Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022?</b>	Yes
<b>M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required</b>	Yes
<b>M.S. 174.93: Guideway Project</b>	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

**Improving Accessibility to State Parks and Recreation Areas****AT A GLANCE****2018 Request Amount:** \$20,000**Priority Ranking:** 4

**Project Summary:** \$20 million is requested in bonding to improve accessibility in state parks. The intent is for the Department of Natural Resources (DNR) to fully bring a park up to today's standards for the Americans with Disabilities Act, which could include renovation of visitor centers, day use facilities, shower buildings, vault toilets, sidewalks, parking areas and selected trails. The project would upgrade about five state parks.

**Project Description**

This project will utilize the Americans with Disabilities Act (ADA) standards to improve accessibility at strategic facilities and amenities through a complete makeover in up to 5 of Minnesota's state parks. This will include renovations of bathrooms, showers, campsites, trails and day use facilities to accommodate all users. It will also include development of new accessible amenities (e.g. yurts or wall tents) to meet the growing demand of a diverse user base and people of all abilities.

For example, at William O'Brien State Park, using the standards from the ADA, DNR would renovate or construct the following:

- Lake Alice Day Use: picnic shelter, beach, sanitation building, amphitheater, rental area, fishing pier, nature play, parking
- Interpretive Center
- Riverway and Savanna campgrounds: sanitation building, campsites, vault toilets
- Riverside group camp: campsites, vault toilets
- Riverside trail
- Water access (boat launch)
- Wayfinding and signage
- Review/improve parking and access routes throughout the park

Other priority parks for accessibility improvements include:

- Fort Snelling State Park
- Jay Cooke State Park
- Minneopa State Park
- Itasca State Park

**Project Rationale**

Many buildings at state parks are over 50 years old and are not compliant with current ADA standards. Recent renovation and construction meets ADA standards, but this is only being

accomplished on a building by building basis and many parks remain only partially accessible. Funding for this proposal would completely bring a park into accordance with today's ADA standards so that the whole park can be enjoyed by all.

### **Project Timeline**

This request has many components and all phases will be complete within the given timeframes.

### **Other Considerations**

The DNR Division of Parks and Trails is responsible for providing a wide range of recreational opportunities and these opportunities need to be available to everyone.

### **Impact on Agency Operating Budgets**

This will have a minimal impact on operating budgets.

### **Description of Previous Appropriations**

No appropriations have been made directly for bringing all facilities in a park into ADA compliance. However, new construction projects meet ADA standards.

### **Project Contact Person**

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### **Governor's Recommendation**

The Governor recommends \$10 million in general obligation bonds for this request.

## Natural Resources

## Project Detail

(\$ in thousands)

### Improving Accessibility to State Parks and Recreation Areas

#### PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2018	FY 2020	FY 2022
<b>State Funds Requested</b>				
General Obligation Bonds	\$ 0	\$ 20,000	\$ 20,000	\$ 20,000
<b>Funds Already Committed</b>				
<b>Pending Contributions</b>				
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>

#### TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2018	FY 2020	FY 2022
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 4,000	\$ 4,000	\$ 4,000
Project Management	\$ 0	\$ 1,000	\$ 1,000	\$ 1,000
Construction	\$ 0	\$ 15,000	\$ 15,000	\$ 15,000
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>

#### IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2018	FY 2020	FY 2022
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

#### SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 20,000	100 %
User Financing	\$ 0	0 %

**STATUTORY REQUIREMENTS**

The following requirements will apply to projects after adoption of the bonding bill.

<b>Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?</b>	No
<b>Predesign Review (M.S. 16B.335 subd. 3):</b>	
Does this request include funding for predesign?	No
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
<b>Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?</b>	Yes
<b>Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?</b>	Yes
<b>Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 &amp; 6 and 16E.05 subd. 3)?</b>	N/A
<b>Will the project meet public ownership requirements (M.S. 16A.695)?</b>	Yes
<b>Will a use agreement be required (M.S. 16A.695 subd. 2)?</b>	No
<b>Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?</b>	Yes
<b>Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?</b>	Yes
<b>Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022?</b>	Yes
<b>M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required</b>	Yes
<b>M.S. 174.93: Guideway Project</b>	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

**Lake Vermilion Soudan Underground Mine State Park****AT A GLANCE****2018 Request Amount:** \$13,000**Priority Ranking:** 5**Project Summary:** \$13 million is requested in bonding for the Department of Natural Resources (DNR) to develop key recreational amenities at Lake Vermilion Soudan Underground Mine State Park, including a visitor center, campground, camper cabins and trails.**Project Description**

These funds would enable the DNR to continue developing recreational opportunities, such as: Lodge Visitor Center; design and construct Murray Campground (includes campsites with electric hook-ups, gathering space, toilet/shower facilities); a solar plant to provide renewable energy for the park; a trailhead for a hiking trail to Jasper Peak, the highest point in the park; and associated roads, parking and amenities.

**Project Rationale**

The DNR Division of Parks and Trails is responsible for providing a wide range of outdoor recreational opportunities. Lake Vermilion State Park was established in 2008 by the Minnesota Legislature, and the Lake Vermilion / Soudan Underground Mine Cooperative Master Plan was completed in December 2010. The goal for development of the park is to provide new nature-based recreational opportunities that will encourage healthy, active lifestyles and engage increasingly diverse users in a growing appreciation for outdoor activities.

**Project Timeline**

This request has many components and all phases will be complete within the given timeframes.

**Other Considerations**

This request focuses on continued investment in Minnesota's newest state park.

**Impact on Agency Operating Budgets**

The additional annual operating budget for the Lake Vermilion State Park property is estimated at \$100,000 for fiscal year 2018, which will be offset by revenue from the entrance permits, camping fees and equipment rentals.

**Description of Previous Appropriations**

L2017 (1st SS), Ch. 8 - Bond, \$3,500,000

L2014, Ch. 294 - Bond, \$14,000,000

L2012, Ch. 293 - Bond, \$2,000,000

**Project Contact Person**

Kent Lokkesmoe

Director of Capital Investments  
651-259-5701  
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**Governor's Recommendation**

The Governor does not recommend capital funding for this request.

## Natural Resources

## Project Detail

(\$ in thousands)

### Lake Vermilion Soudan Underground Mine State Park

#### PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2018	FY 2020	FY 2022
<b>State Funds Requested</b>				
General Obligation Bonds	\$ 19,500	\$ 13,000	\$ 15,000	\$ 15,000
<b>Funds Already Committed</b>				
<b>Pending Contributions</b>				
<b>TOTAL</b>	<b>\$ 19,500</b>	<b>\$ 13,000</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>

#### TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2018	FY 2020	FY 2022
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 2,925	\$ 1,870	\$ 3,000	\$ 3,000
Project Management	\$ 975	\$ 530	\$ 750	\$ 750
Construction	\$ 15,600	\$ 10,600	\$ 11,250	\$ 11,250
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 19,500</b>	<b>\$ 13,000</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>

#### IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2018	FY 2020	FY 2022
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

#### SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 13,000	100 %
User Financing	\$ 0	0 %

**STATUTORY REQUIREMENTS**

The following requirements will apply to projects after adoption of the bonding bill.

<b>Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?</b>	No
<b>Predesign Review (M.S. 16B.335 subd. 3):</b>	
Does this request include funding for predesign?	No
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
<b>Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?</b>	Yes
<b>Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?</b>	Yes
<b>Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 &amp; 6 and 16E.05 subd. 3)?</b>	N/A
<b>Will the project meet public ownership requirements (M.S. 16A.695)?</b>	Yes
<b>Will a use agreement be required (M.S. 16A.695 subd. 2)?</b>	No
<b>Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?</b>	Yes
<b>Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?</b>	Yes
<b>Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022?</b>	Yes
<b>M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required</b>	Yes
<b>M.S. 174.93: Guideway Project</b>	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

**Flood Hazard Mitigation Grant Assistance Program****AT A GLANCE****2018 Request Amount:** \$20,000**Priority Ranking:** 6**Project Summary:** \$20 million in state funds is requested for grants to cities, counties and watershed districts for flood risk reduction. Projects include pumping stations, levees, acquisition and removal of at-risk structures, and flood impoundments.**Project Description**

These funds would provide for flood risk reduction projects in Afton, Austin, Golden Valley, Halstad, Montevideo, Moorhead, Rushford, Roseau River Watershed and Bois de Sioux Watershed. Types of projects include the purchase and removal of damaged and at-risk residential structures from the floodplain and construction of levees, pumping stations and multi-purpose flood impoundments.

**Project Rationale**

Flood mitigation is cost effective. Studies show that every \$1 spent on mitigation avoids \$4 in future damages. Past investment in flood mitigation has resulted in a more flood resilient state and significantly decreased flood fighting and recovery costs. This project expands previous work in this area to reduce flood risk in the most at-risk areas. This funding supports the flood hazard mitigation program in MS 103F.161.

**Project Timeline**

The projects identified are ready to be implemented and most of the grants will be issued within a year.

**Other Considerations**

Past appropriations for Flood Hazard Mitigation have leveraged significant federal and local dollars, considerably reducing Minnesota's vulnerability to flood losses.

**Impact on Agency Operating Budgets**

This will have a minimal impact on operating budgets.

**Description of Previous Appropriations**

L2017, SS1, Ch. 8 - Bond, \$11,555,000  
 L2015, SS1, Ch. 5 - Bond, \$23,549,000  
 L2015, SS1, Ch. 5 - Bond, \$2,515,000 (Disaster)  
 L2015, SS1, Ch. 5 - General Fund, \$500,000 (Disaster)  
 L2014, Ch. 294 - Bond, \$4,500,000  
 L2014, Ch. 295 - General Fund, \$7,500,000  
 L2013, Ch.136 - Bond, \$20,000,000  
 L2012, SS1, Ch. 1 - Bond, \$9,000,000 (Disaster)  
 L2012, SS1, Ch. 1 - General Fund, \$1,000,000 (Disaster)

L2012, Ch. 293 - Bond, \$30,000,000

**Project Contact Person**

Kent Lokkesmoe  
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**Governor's Recommendation**

The Governor recommends \$20 million in general obligation bonds for this request. Also included are budget estimates of \$20 million for each planning period for 2020 and 2022.

## Natural Resources

## Project Detail

(\$ in thousands)

### Flood Hazard Mitigation Grant Assistance Program

#### PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2018	FY 2020	FY 2022
<b>State Funds Requested</b>				
General Obligation Bonds	\$ 101,119	\$ 20,000	\$ 20,000	\$ 20,000
General Fund Cash	\$ 9,000	\$ 0	\$ 0	\$ 0
<b>Funds Already Committed</b>				
<b>Pending Contributions</b>				
<b>TOTAL</b>	<b>\$ 110,119</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>

#### TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2018	FY 2020	FY 2022
Property Acquisition	\$ 14,155	\$ 3,000	\$ 3,000	\$ 3,000
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 10,390	\$ 1,600	\$ 1,600	\$ 1,600
Project Management	\$ 615	\$ 0	\$ 0	\$ 0
Construction	\$ 84,959	\$ 15,400	\$ 15,400	\$ 15,400
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 110,119</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>

#### IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2018	FY 2020	FY 2022
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

#### SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 20,000	100 %
User Financing	\$ 0	0 %

## STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

<b>Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?</b>	No
<b>Predesign Review (M.S. 16B.335 subd. 3):</b>	
Does this request include funding for predesign?	No
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
<b>Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?</b>	N/A
<b>Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?</b>	Yes
<b>Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 &amp; 6 and 16E.05 subd. 3)?</b>	N/A
<b>Will the project meet public ownership requirements (M.S. 16A.695)?</b>	Yes
<b>Will a use agreement be required (M.S. 16A.695 subd. 2)?</b>	No
<b>Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?</b>	Yes
<b>Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?</b>	Yes
<b>Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022?</b>	Yes
<b>M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required</b>	Yes
<b>M.S. 174.93: Guideway Project</b>	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

**Dam Safety Repair, Reconstruction or Removal**

**AT A GLANCE**

**2018 Request Amount:** \$2,000

**Priority Ranking:** 7

**Project Summary:** \$2 million in state funds is requested for the Department of Natural Resources (DNR) to provide funds for design; engineering and construction to repair, reconstruct, or remove dams; and to respond to dam safety emergencies. Eight dams on the statewide dam safety projects priority list would be funded with these dollars.

**Project Description**

Minnesota’s public dam infrastructure includes 635 dams owned by the state, counties, cities and watershed districts. The state owns 346 of these public dams, most of which are over 50 years old and require ongoing repairs to maintain their structural integrity, prevent public safety hazards and to maintain water levels on recreational lakes. Emergency repairs must be made when an imminent dam failure threatens public safety or an actual dam failure damages property.

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. These projects may also provide natural resource benefits by maximizing the biological diversity of river systems and through restoring and reconnecting upstream and downstream habitats. Low-head river dams need to be modified to eliminate their dangerous “drowning machine” currents.

About 10 percent of Dam Safety Program capital budget appropriations are reserved for emergencies. Any emergency funds remaining are used on high priority projects.

DNR prepares a dam safety priority list in May of odd numbered years and the following dams have been identified as the highest need: George Lake, Moose Lake State Park, Warren Lake, Hill annex No. 1, Lime Lake, Esquagama Lake, Silver Lake and Hewitt/Wing River. Lake Bronson Dam is the top priority, but the scope of the work and cost estimates are currently being revised.

**Project Rationale**

This request supports the Dam Safety Program under MS 103G.511 to manage Minnesota’s public dam infrastructure. Dams maintain water levels on many 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 DNR and local government units that own dams, protects the public safety and saves money by maintaining existing infrastructure assets.

**Project Timeline**

This request has multiple projects and will be completed within the given timeframes.

**Other Considerations**

We estimate that over \$100 million will be needed over the next several decades to repair, reconstruct

or remove publicly-owned dams. The requested funds would provide \$1.8 million for priority projects and \$200,000 for emergencies. This request is smaller than normal because \$9.4 million was appropriated for dam renovation, repair and removal in 2017. Additionally, in 2017 \$6 million was appropriated for turbine replacement at Byllesby Dam.

### **Impact on Agency Operating Budgets**

There will be minimal impact on operating budgets.

### **Description of Previous Appropriations**

L2017 (1st SS), Ch. 8 - Bond, \$9,400,000

L2014, Ch. 294 - Bond, \$ 6,500,000

L2012, Ch. 293 - Bond, \$ 3,000,000

### **Project Contact Person**

Kent Lokkesmoe

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### **Governor's Recommendation**

The Governor recommends \$1 million in general obligation bonds for this request. Also included are budget estimates of \$1 million for each planning period for 2020 and 2022.

## Natural Resources

## Project Detail

(\$ in thousands)

### Dam Safety Repair, Reconstruction or Removal

#### PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2018	FY 2020	FY 2022
<b>State Funds Requested</b>				
General Obligation Bonds	\$ 18,900	\$ 2,000	\$ 5,000	\$ 5,000
<b>Funds Already Committed</b>				
<b>Pending Contributions</b>				
<b>TOTAL</b>	<b>\$ 18,900</b>	<b>\$ 2,000</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>

#### TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2018	FY 2020	FY 2022
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 3,020	\$ 320	\$ 800	\$ 800
Project Management	\$ 1,325	\$ 140	\$ 350	\$ 350
Construction	\$ 14,555	\$ 1,540	\$ 3,850	\$ 3,850
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 18,900</b>	<b>\$ 2,000</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>

#### IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2018	FY 2020	FY 2022
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

#### SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 2,000	100 %
User Financing	\$ 0	0 %

**STATUTORY REQUIREMENTS**

The following requirements will apply to projects after adoption of the bonding bill.

<b>Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?</b>	No
<b>Predesign Review (M.S. 16B.335 subd. 3):</b>	
Does this request include funding for predesign?	No
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
<b>Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?</b>	N/A
<b>Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?</b>	Yes
<b>Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 &amp; 6 and 16E.05 subd. 3)?</b>	N/A
<b>Will the project meet public ownership requirements (M.S. 16A.695)?</b>	Yes
<b>Will a use agreement be required (M.S. 16A.695 subd. 2)?</b>	No
<b>Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?</b>	Yes
<b>Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?</b>	Yes
<b>Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022?</b>	Yes
<b>M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required</b>	Yes
<b>M.S. 174.93: Guideway Project</b>	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

**Parks and Trails Local and Regional Grant Program**

**AT A GLANCE**

**2018 Request Amount:** \$2,000

**Priority Ranking:** 8

**Project Summary:** \$2 million in state funds is requested to provide competitive grants to local governments for acquisition and development of local and regional parks and trails across the state.

**Project Description**

This \$2 million request in state funds is to provide competitive grants to local governments for acquisition and development of local and regional parks and trails across the state. These funds will support park and trail grant programs as established in M.S. 85.019, which establishes four matching grant programs:

- The Outdoor Recreation Grant Program to help local governments acquire, develop and/or redevelop close to home outdoor recreation facilities.
- The Regional Park Grant Program to help local governments acquire shore land, natural areas and threatened habitat, and develop and rehabilitate natural resource based outdoor recreation facilities of regional significance.
- The Local Trail Connections Grant Program provides grants to local units of government to develop and acquire trail connections to residential areas, schools, workplaces, community centers, recreation areas, trails and parks.
- The Regional Trail Grant Program provides grants to local units of government for development and acquisition of regional trails outside of the metropolitan area.

The grant programs allow the Department of Natural Resources (DNR) to partner with local communities to acquire land and develop parks and trails that help create a network of close-to-home recreation facilities. The requested funding will provide funding for park grants to local communities to acquire approximately 70 acres, develop or redevelop several local and/or regional parks, and also provide funding for about 10 local and regional trail projects.

**Project Rationale**

This project supports the DNR conservation mission of protecting natural resources, delivering outdoor recreation opportunities to the public and maintaining the health and economic vitality of Minnesota’s communities by ensuring public access to a high-quality system of local and regional parks and trails. Connecting people to Minnesota’s great outdoors has been identified by the department as a strategic direction critical to addressing the key trend related to changes in outdoor recreation participation.

**Project Timeline**

This request has many components, including local match requirements, and all phases will be complete within the given timeframes.

**Other Considerations**

While Legacy funds have provided additional park and trail building acquisition and development money to areas of regional significance, these funding sources cannot be used for local parks and trails, so bond funding remains one of the only sources of money for the purchase and development of smaller recreational opportunities located within communities.

**Impact on Agency Operating Budgets**

There will be minimal impact on the operating budget involved in managing the grant process.

**Description of Previous Appropriations**

L2017 (1st SS), Ch. 8 - Bond, Local Trail Grants, \$1,400,000

L2014, Ch. 294 - Bond, \$100,000

**Project Contact Person**

Kent Lokkesmoe  
Director of Capital Investments  
651-259-5701  
kent.lokkesmoe@state.mn.us

**Governor's Recommendation**

The Governor does not recommend capital funding for this request.

## Natural Resources

## Project Detail

(\$ in thousands)

### Parks and Trails Local and Regional Grant Program

#### PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2018	FY 2020	FY 2022
<b>State Funds Requested</b>				
General Obligation Bonds	\$ 1,500	\$ 2,000	\$ 2,000	\$ 2,000
<b>Funds Already Committed</b>				
<b>Pending Contributions</b>				
<b>TOTAL</b>	<b>\$ 1,500</b>	<b>\$ 2,000</b>	<b>\$ 2,000</b>	<b>\$ 2,000</b>

#### TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2018	FY 2020	FY 2022
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 225	\$ 300	\$ 300	\$ 300
Project Management	\$ 75	\$ 100	\$ 100	\$ 100
Construction	\$ 1,200	\$ 1,600	\$ 1,600	\$ 1,600
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 1,500</b>	<b>\$ 2,000</b>	<b>\$ 2,000</b>	<b>\$ 2,000</b>

#### IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2018	FY 2020	FY 2022
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

#### SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 2,000	100 %
User Financing	\$ 0	0 %

## STATUTORY REQUIREMENTS

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Has the predesign been approved by the Department of Administration?	N/A
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<b>Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?</b>	Yes
<b>Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 &amp; 6 and 16E.05 subd. 3)?</b>	N/A
<b>Will the project meet public ownership requirements (M.S. 16A.695)?</b>	Yes
<b>Will a use agreement be required (M.S. 16A.695 subd. 2)?</b>	No
<b>Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?</b>	Yes
<b>Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?</b>	Yes
<b>Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022?</b>	Yes
<b>M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required</b>	Yes
<b>M.S. 174.93: Guideway Project</b>	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A