

## **2013 Project Abstract**

For the Period Ending June 30, 2016

**PROJECT TITLE:** State Parks and Trails Land Acquisition

**PROJECT MANAGER:** Jennifer Christie

**AFFILIATION:** Department of Natural Resources, Division of Parks and Trails

**MAILING ADDRESS:** 500 Lafayette Road, Box 52

**CITY/STATE/ZIP:** St. Paul, MN 55155

**PHONE:** 651-259-5579

**E-MAIL:** Jennifer.christie@state.mn.us

**WEBSITE:** [www.dnr.state.mn.us](http://www.dnr.state.mn.us)

**FUNDING SOURCE:** Environment and Natural Resources Trust Fund

**LEGAL CITATION:** M.L. 2013, Chp. 52, Sec. 2, Subd. 04a

**APPROPRIATION AMOUNT: \$1,000,000**

### **Overall Project Outcome and Results**

Minnesota Environment and Natural Resources Trust Fund funding resulted in the Department of Natural Resources acquiring approximately 103 acres of land within the statutory boundaries of two Minnesota State Parks and one Minnesota State Trail.

- Acquired approximately 29 acres in Frontenac State Park comprised Lowland forested wetlands with a small stream and exposed dolomite bluff face partially covered with a mix of native prairie and some upland trees.
- Acquired approximately 8 acres of an entire island located within the new Lake Vermilion-Soudan Underground Mine State Park. This acquisition preserves unique island habitat, viewshed and enhances outdoor recreation opportunities such as canoe campsite and a new day use area.
- Partially funded the acquisition of approximately 66 acres of land for Mill Towns State Trail to preserve and protect ~6 miles of a former railroad corridor for future development of the legislatively authorized trail that will eventually connect cities of Faribault and Dundas.

### **Project Results Use and Dissemination**

These project results and dissemination have been communicated through updated state park and state trail maps reflecting state managed land instead of private in-holdings, and are identified as public land open to be used and enjoyed by all visitors.

A news release promoting the recent acquisition for the Mill Towns State Trail is scheduled for July 2016, and credits Minnesota Environment and Natural Resources Trust Fund as a partial funding source.

Signage at the above listed locations lists ENRTF as a funding source for these State Parks or State Trails.



## Environment and Natural Resources Trust Fund (ENRTF) M.L. 2013 Work Plan

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**Date of Status Update Report:** 8/1/2016  
**Date of Next Status Update Report:** Final Report  
**Date of Work Plan Approval:** 6/25/2013  
**Project Completion Date:** 6/30/2016 **Is this an amendment request?** No

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**PROJECT TITLE: State Parks and Trails Land Acquisition**

**Project Manager:** Jennifer Christie  
**Affiliation:** Minnesota Department of Natural Resources  
**Mailing Address:** 500 Lafayette Road, Box 39  
**City/State/Zip Code:** St. Paul, MN 55155  
**Telephone Number:** 651-259-5579  
**Email Address:** Jennifer.Christie@state.mn.us  
**Web Address:** www.dnr.state.mn.us

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**Location:** Statewide

**Counties Impacted:** Goodhue  
St. Louis  
Rice

**State Parks, State Recreation Areas and State Trails Impacted:** Frontenac State Park, Lake Vermilion State Park, Mill Towns State Trail

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<b>Total ENRTF Project Budget:</b>	<b>ENRTF Appropriation:</b>	<b>\$1,000,000</b>
	<b>Amount Spent:</b>	<b>\$1,000,000</b>
	<b>Balance:</b>	<b>-0-</b>

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**Legal Citation:** M.L. 2013, Chp. 52, Sec. 2, Subd. 04a

**Appropriation Language:**

\$1,000,000 the first year is from the trust fund to the commissioner of natural resources to acquire authorized state trails and critical parcels within the statutory boundaries of state parks. State park land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards, as determined by the commissioner of natural resources. A list of proposed acquisitions must be provided as part of the required work plan. This appropriation is available until June 30, 2016, by which time the project must be completed and final products delivered.

## **I. PROJECT TITLE: State Parks, State Recreation Areas and State Trails Land Acquisitions**

### **II. FINAL PROJECT SUMMARY: Overall Project Outcome and Results**

Minnesota Environment and Natural Resources Trust Fund project funding for the State Parks, State Recreation Areas and State Trails Land Acquisition project resulted in the Department of Natural Resources acquiring 103 acres of land located within the statutory boundary of two State Parks and one State Trail.

Acquired approximately 29 acres of land located inside Frontenac State Park statutory authorized park boundary. This acquisition protects lowland forested wetlands with a small stream and exposed dolomite bluff face partially covered with a mix of native prairie and some upland trees.

Acquired approximately 8 acres of an entire island located within the new Lake Vermilion-Soudan Underground Mine State Park. This acquisition preserves unique island habitat, viewshed and enhances outdoor recreation opportunities such as canoe campsite and a new day use area.

Partially funded 66 acres of land located within the Mill Towns State Trail legislatively authorized trail corridor. This 6 mile-segment will eventually connect cities of Faribault and Dundas in Rice County. Eventually connect to city of Northfield and to the Sakatah-Singing Hills State Trail and Cannon Valley Regional Trail.

### **III. PROJECT STATUS UPDATES:**

#### **Activity Status as of December 31, 2013:**

Acquisition projects are beginning the acquisition process and background data is being collected in anticipation of ordering an appraisal.

**Amendment Request as January 9, 2014:** An amendment request is being made to change the project manager and due to unsuccessful negotiations with the land owner replace the Cuyuna Country SRA acquisition project with an acquisition of an island located within the statutory boundary of Lake Vermilion State Park. This proposed acquisition was recently added by the legislature for the protection of the shoreline, viewshed, and expanded outdoor recreation opportunities such as canoe campsite. LCCMR approved the above work plan amendment request on January 13, 2014.

#### **Activity Status as of March 27, 2014:**

Approved acquisition projects are moving through the acquisition process. The appraisal is expected prior to the next update and negotiations will begin on the Lake Vermilion parcel. Negotiations are occurring on the state trail acquisition.

#### **Amendment Request as of March 27, 2014:**

An amendment request is being made, due to a potential landowner's lack of willingness to sell and the unlikelihood to successfully negotiate an agreement, to replace the Great River Bluffs State Park acquisition with an acquisition listed on the initial request for proposal located within the statutory boundary of Frontenac State Park. This proposed acquisition is for approximately 30 acres that consists of lowland forested wetland, a small stream, plus native prairie and some uplands. The site has 200+ year old cottonwood tree and active timber rattle snake dens sites.

#### **Activity Status as of August 20, 2014:**

The amendment request was approved on January 13, 2014. The approved acquisition projects are moving through the acquisition process and are at various stages. The DNR – Parks and Trails Division has an executed

agreement on the Lake Vermilion parcel and anticipates closing by the end of September. Negotiations are occurring on the state trail acquisition. The Frontenac State Park project is in the beginning stages of the acquisition process.

**Activity Status as of March 20, 2015:**

The Lake Vermilion State Park acquisition closed on September 24, 2014. The Frontenac State Park project closed on March 6, 2015. Any restoration needs will be determined in accordance with each park's master plan. The additional operations, maintenance and/or restoration costs required to manage the additional land will be taken into consideration with new facilities and in conjunction with the master plan at the new Lake Vermilion State Park. Additional costs are not anticipated to be a significant amount of increase, and will be absorb with existing staffing and system restoration plans at Frontenac State Park. The negotiations are still on-going for the Mill Towns State Trail acquisition.

**Activity Status as of April 7, 2015:**

As a result of unsuccessful acquisitions and increased appraisal costs on a complex acquisition project for Mill Towns State Trail acquisition, funds were requested to be shifted from Fee Title Acquisition line item to Professional Services for Acquisition to cover a shortage in the Professional Services for Acquisition line item. LCCMR approved amendment request on April 8, 2015.

**Activity Status as of September 24, 2015:**

The DNR-Parks and Trails Division is working on terms of purchase agreement for Mill Towns State Trail acquisition and still anticipates closing by the June 2016.

A budget amendment request is being made on Sept 24, 2015 to decrease Fee Title Acquisition funds in amount of \$14,588, and to increase Professional Services funds in the amount of \$14,588 because transaction related expenses increased due to additional professional services needed on a complex, unique acquisition project. The final amount may need to be readjusted based on actual amount incurred. At ~5% of the total appropriation, the revised amount is in-line with typical transaction related costs. Initial transaction related costs were estimated too low when setting up the initial workplan, and professional services costs have come in higher than anticipated for these unique transactions. Approved by LCCMR 10-12-2015.

**Activity Status as of March 9, 2016:**

The MnDNR-Parks and Trails Division is completing the due diligence on the purchase agreement for Mill Towns State Trail acquisition and anticipates closing the transaction before June 30, 2016.

**IV. PROJECT ACTIVITIES AND OUTCOMES:**

**ACTIVITY 1: Acquisition of land inside state parks, state recreation areas statutory boundary and state trails legislatively authorized corridors.**

**Description:** The State Parks, State Recreation Areas and State Trails Acquisition Program will acquire 112.75 acres of high priority land to protect and conserve critical biodiversity of the state which contain unique plant communities, natural areas and locally significant historic sites. The State is pursuing acquisition of an island located within the statutory boundary of the Lake Vermilion State Park with potential to protect and preserve shoreline, wildlife habitat, and to enhance unique outdoor recreation opportunities such as canoe campsite and day use. Acquisition also provides riparian buffers along wetlands, creeks and lakes, facilitate improved management by consolidation of state-owned property. The proposed acquisitions will also reduce development pressures, increase and enhance outdoor recreational opportunities. State Trail acquisitions generate desirable, safe recreational trail connections between communities and other public recreational assets. The vision of land acquisition is to expand and enhance the unique diversity of outdoor recreation opportunities in Minnesota to inspire the current and next generations to explore more of the outdoors.

**Summary Budget Information for Activity 1:**

**ENRTF Budget: \$ 1,000,000**

Amount Spent: \$ 1,000,000

Balance: \$ -0-

**Activity Completion Date:**

Outcome	Completion Date	Budget
1. Appraise high priority parcels (includes transaction related costs such as appraisals, surveys, title work, and closing costs)	6/30/15	\$ 55,000
2. Negotiate with willing sellers	9/1/15	
3. Acquire parcels (includes payment for the land)	6/30/16	\$ 943,354

**Activity Status as of March 27, 2014:**

Approved acquisition projects are moving through the acquisition process. The appraisal is expected prior to the next update and negotiations will begin on the Lake Vermilion parcel. Negotiations are occurring on the state trail acquisition. An amendment request is being made, due to a potential landowner's lack of willingness to sell and the unlikelihood to successfully negotiate an agreement, to replace the Great River Bluffs State Park acquisition with an acquisition listed on the initial request for proposal located within the statutory boundary of Frontenac State Park. This proposed acquisition is for approximately 30 acres that consists of lowland forested wetland, a small stream, plus native prairie and some uplands. The site has 200+ year old cottonwood tree and active timber rattle snake dens sites.

**Activity Status as of August 20, 2014:**

The approved acquisition projects are moving through the acquisition process and are at various stages. The DNR – Parks and Trails Division has an executed agreement on the Lake Vermilion parcel and anticipates closing by the end of September. Negotiations are occurring on the state trail acquisition. The Frontenac State Park project is in the beginning stages of the acquisition process.

**Activity Status as of March 20, 2015:**

The Lake Vermilion State Park acquisition closed on September 24, 2014. The Frontenac State Park project closed on March 6, 2015. The negotiations are still on-going for the Mill Towns State Trail acquisition.

**Activity Status as of April 7, 2015:**

As a result of unsuccessful acquisitions and increased appraisal costs on a complex acquisition project for Mill Towns State Trail acquisition, funds were requested to be shifted from Fee Title Acquisition line item to Professional Services for Acquisition to cover a shortage in the Professional Services for Acquisition line item. LCCMR approved amendment request on April 8, 2015.

**Activity Status as of September 24, 2015:**

The DNR-Parks and Trails Division is working on terms of purchase agreement for Mill Towns State Trail acquisition and still anticipates closing by the June 2016.

**Activity Status as of March 9, 2016:**

The MnDNR-Parks and Trails Division is completing the due diligence on the purchase agreement for Mill Towns State Trail acquisition and anticipates closing the transaction before June 30, 2016.

**Final Report Summary:** Acquiring approximately 103 acres of land within the statutory boundaries of two Minnesota State Parks and one Minnesota State Trail.

Acquired approximately 29 acres in Frontenac State Park comprised Lowland forested wetlands with a small stream and exposed dolomite bluff face partially covered with a mix of native prairie and some upland trees.

Acquired approximately 8 acres of an entire island located within the new Lake Vermilion-Soudan Underground Mine State Park. This acquisition preserves unique island habitat, viewshed and enhances outdoor recreation opportunities such as canoe campsite and a new day use area.

Partially funded the acquisition of approximately 66 acres of land for Mill Towns State Trail to preserve and protect ~6 miles of a former railroad corridor for future development of the legislatively authorized trail that will eventually connect cities of Faribault and Dundas.

**V. DISSEMINATION:**

**Description:** Update state park and state trail maps and website as land and the new trail corridor becomes available for public use. A news release in July 2016 is planned for the Mill Towns State Trail acquisition and the Minnesota Environment and Natural Resources Trust Fund (ENRTF) is listed as a partial funding source. A copy of the news release was shared with LCCMR staff. Signage at the above listed locations lists (ENRTF) as a funding source for these State Parks and State Trails acquisitions.

**VI. PROJECT BUDGET SUMMARY:**

**A. ENRTF Budget:**

<b>Budget Category</b>	<b>\$ Amount</b>	<b>Explanation</b>
Fee Title Acquisition:	\$943,354	Acquire land from willing landowners
Easement Acquisition:	\$ -0-	
Professional Services for Acquisition:	\$55,000	Transaction related expenses, ie appraisal, survey, title work, closing costs, etc.
Direct and Necessary Services:*	\$ 1,646	DNR costs for the appropriation.
<b>TOTAL ENRTF BUDGET:</b>	<b>\$ 1,000,000</b>	

\*Direct and Necessary expenses include both Department Support Services (Human Resources, IT, Financial Management, Communications, Procurement, and Facilities) and Division Support Services. Department Support Services are described in agency Service Level Agreements, and billed internally to divisions based on indices that have been developed for each area of service. Department leadership (Commissioner’s Office and Regional Directors) are not assessed. Division Support Services include costs associated with Division business offices and clerical support. Those elements of individual projects that put little or no demand on support services such as large single-source contracts, large land acquisitions, and funds that are passed-thru to other entities are not assessed Direct and Necessary costs for those activities. For this work plan, fee title acquisition with an associated cost of \$977,986 has not been assessed Direct and Necessary costs. The \$1,646 consists of \$267 for Division Direct and \$1,379 for Department Direct. Both spread out over the 3 year project. For ML13, Department Direct was calculated as a flat % for each division.

**Explanation of Use of Classified Staff:** N/A

**Explanation of Capital Expenditures Greater Than \$3,500:** N/A

**Number of Full-time Equivalent (FTE) funded with this ENRTF appropriation:** N/A

**Number of Full-time Equivalent (FTE) estimated to be funded through contracts with this ENRTF appropriation:** N/A

**B. Other Funds:**

Source of Funds	\$ Amount Proposed	\$ Amount Spent	Use of Other Funds
State			
Parks and Trails Legacy FY13	\$ 500,000	\$500,000	Fee Title Acquisition
<b>TOTAL OTHER FUNDS:</b>	<b>\$ 500,000</b>	<b>\$500,000</b>	

**VII. PROJECT STRATEGY:**

**A. Project Partners:** Local state parks and state trails support groups. It is also anticipated that the Parks and Trails Council of Minnesota will continue to play a critical role in the negotiation and timely acquisition prior to State acquisition.

**B. Project Impact and Long-term Strategy:** Acquire critical parcels within State Park and State Recreation Area statutory boundaries and within statutory authorized State Trail corridors. The state currently owns about 85% of the 268,000 acres within State Park and State Recreation Area boundaries and expects approximately \$5 million worth of private in-holding parcels inside the statutory boundary will become available from willing sellers each year. With the continued support of the LCCMR, the Department of Natural Resources Division of Parks and Trails expects to keep moving forward to acquire critical parcels for preservation, recreation, education and habitat restoration.

Any restoration needs will be determined in accordance with each state park and/or state trail master plan. Any additional operations, maintenance and/or restoration costs required to manage the additional land will be determined and taken into consideration during the next budget planning cycle. Additional costs are not anticipated to be a significant amount of increase, and will be absorb with existing staffing and within pre-existing Division restoration plans.

**C. Spending History:**

Funding Source	M.L. 2007 or FY08	M.L. 2008 or FY09	M.L. 2009 or FY10	M.L. 2010 or FY11	M.L. 2011 or FY12-13
ENTF	\$1,500,000 Subd 4e	\$1,500,000 Subd 3h	\$1,590,000 Subd 4a & 4b	\$1,750,000 Subd 4d	\$3,000,000 Subd 4b
Capital Bonding		\$2,400,000		\$2,150,000	
Parks and Trails Legacy					\$3,000,000

**VIII. ACQUISITION/RESTORATION LIST:** State Parks, State Recreation Areas and State Trails maintain an active priority list for future acquisitions. The list evolves as new parcels are added to the statutory boundary of a park or the status of a parcel changes when more information is evaluated. A two- filter evaluation process helps us prioritize parcels on this list.

Each state park manager assigns a priority ranking for the private parcels within the statutory boundary of that park. The regional park managers review these rankings before submitting the priority report to the Acquisition and Development Section of the Division of Parks and Trails. This first filter priority ranking helps us decide if a greater assessment is needed. The ranking is divided into four levels of priority, A through D. An A-ranking includes lands considered highest importance to mission and management of the state park, such as high resource or recreational potential.

This second filter evaluation looks in greater detail at a wide range of factors that determine the importance for acquiring the parcel. These factors include, but are not limited to, the following: rare geological feature, quality or quantity of natural or cultural resource present, historic buildings or cultural sites, riparian protection, high restoration potential, view shed preservation, threat due to development or timber harvesting, buffer potential, provide link to other recreation opportunities, such as a trail connection, develop new recreational facility, or improved trail system, expand a facility, provide better access to park or facilities, eliminate fragmented parcels

for better management, address urgency to acquire due to landowner's needs, resolve visitor safety concerns, funding leverage with potential partnerships and bargain sale opportunity.

Then there are internal discussions to determine which parcels should be included in the proposals. During a funding cycle, the funding proposal list may be revised due to failed negotiations or another priority parcel may be identified.

When another parcel is identified for acquisition, the Park Manager discusses the priority ranking with the Regional Manager and/or the Acquisition Program Coordinator. If they determine the site requires greater evaluation, the park manager is asked to fill out the Acquisition Proposal Form.

The Regional Park Manager, Manager of Acquisition and Development, and Acquisition Program Coordinator evaluate these factors and descriptions on the acquisition proposal form. They discuss what other priority acquisitions are available, and the current funding status, and then decide whether to present the new parcel to the Division Director.

The Division Director determines if the staff proceeds with the acquisition. Depending on the funding availability and/or urgency of the acquisition, staff pursues the acquisition with current funds or the parcel is place on our priority list for future acquisitions as funding is available. The commissioner of natural resources shall approve acquisitions when the land acquisition property is identified as a high priority, or meets the objectives and criteria identified in the applicable acquisition plan for the intended management status of the property. The State Parks and Trails staff is responsible for the management, operation and maintenance of the acquired land in accordance with the master plan.

Any restoration needs will be determined in accordance with each state park and/or state trail master plan. Any additional operations, maintenance and/or restoration costs required to manage the additional land will be determined and taken into consideration during the next budget planning cycle. Additional costs are not anticipated to be a significant amount of increase, and will be absorb with existing staffing and within pre-existing Division restoration plans.

The State Parks and Trails resource management staff is responsible for the restoration and management of the natural/undeveloped areas not planned for facilities. For restoration efforts like converting an old field to a prairie, bonding and Legacy funds are eligible and used. Legacy monies and other sources, such as general fund and the State Parks working capital fund are used for long-term maintenance of the communities once the site has been restored.

**IX. MAP(S):** See attached exhibit maps.

**X. RESEARCH ADDENDUM:** N/A

**XI. REPORTING REQUIREMENTS:**

**Periodic work plan status update reports will be submitted not later than March 1, 2014, September 1, 2014, and March 1, 2015. A final report and associated products will be submitted between June 30 and September 15, 2016 as requested by the LCCMR.**



Attachment A: Budget Detail for M.L. 2013 Environment and Natural Resources Trust Fund Projects					
Project Title: State Parks and Trails Land Acquisition (subd. 04a)					
Legal Citation: M.L. 2013, Chp. 52, Sec. 2, Subd. 04a					
Project Manager: Jennifer Christie					
M.L. 2013 ENRTF Appropriation: \$1,000,000					
Project Length and Completion Date: June 30, 2016					
Date of Update: 8/26/16					
ENVIRONMENT AND NATURAL RESOURCES TRUST FUND BUDGET	Activity 1 Budget- As of 8/26/16	Amount Spent	Balance	TOTAL BUDGET	TOTAL BALANCE
<b>BUDGET ITEM</b>	<b>Acquisition of State Parks &amp; State Trails</b>				
Fee Title Acquisition 103 acres in fee title. DNR will own fee title to the lands acquired.	943,354	943,354	0	943,354	0
Professional Services for Acquisition Appraisals, survey, title work, title opinion for 3-4 transactions	55,000	55,000	0	55,000	0
Direct and Necessary Services for the Appropriation	1,646	1,646	0	1,646	
<b>COLUMN TOTAL</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$0</b>	<b>\$1,000,000</b>	<b>\$0</b>
<b>NOTES:</b>	4/7/15 & 9/24/15-Shifted additional budget amount from Fee Title Acquisition to Professional Services for Acquisition due to increased transaction related expenses as a result of unsuccessful acquisitions and increased appraisal costs on a complex project.				

Environment and Natural Resources Trust Fund  
**M.L. 2013 Acquisition/Restoration List**

**Project Title:** State Parks, State Recreation Areas and State Trails Land Acquisition (subd. 04a)

**Project Manager Name:** Jennifer Christie

**M.L. 2013 ENRTF Appropriation:** \$1,000,000

#	Acquisition or Restoration Parcel Name	Geographic Coordinates		Estimated Cost	Estimated Annual PILT Liabilities	County	Ecological Significance	Activity Description	# of Acres	# of Shoreline Miles	Type of Landowner	Proposed Fee Title or Easement Holder (if applicable)	Status
		Latitude	Longitude										
1	Frontenac State Park	546320	4931792	\$100,000	\$750	Goodhue	Lowland forested wetlands with a small stream and exposed dolomite bluff face partially covered with a mix of native prairie and some upland trees	Acquisition	29		Private Individual	MnDNR	Closed
2	Lake Vermilion State Park	5299001	558496	\$625,000	\$9,375	St. Louis	Parcel is an island in the new Lake Vermilion State Park and it would preserve this unique island habitat, viewshed, and enhance outdoor recreation opportunities such as canoe campsite and day use areas.	Acquisition	7.8	Approximately 1/2 mile	Private Individual	MnDNR	Closed
3	Mill Towns State Trail	481584	4917471	\$275,000	\$ 6,075	Rice	Portions of the corridor have mature timber while other portions are being farmed by adjacent landowners. Corridor representative of a rural setting. <u>Partially fund.</u>	Acquisition	66		For Profit Entity	MnDNR	Closed

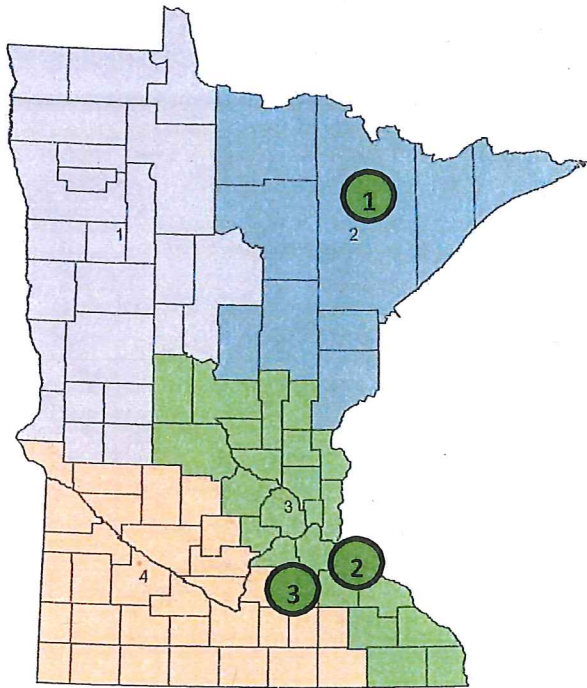
**NOTES:**  
 Parcels in this work program may be revised during the course of this funding cycle due to an inability to complete the negotiations or other factors. Land acquired with this appropriation will be improved to meet at least minimum management standards as determined by the commissioner of natural resources

# Land Acquisition

## Acquired Projects

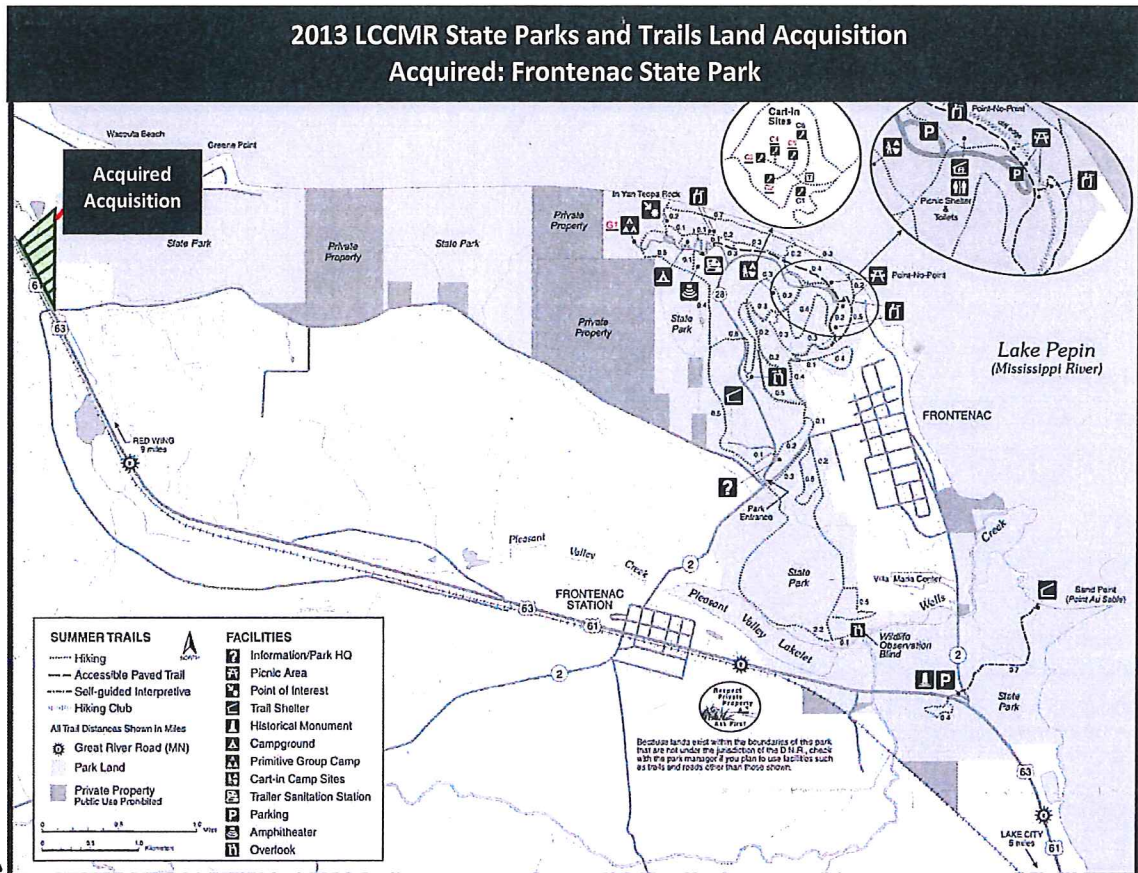


### LCCMR 2013 - subd. 04a

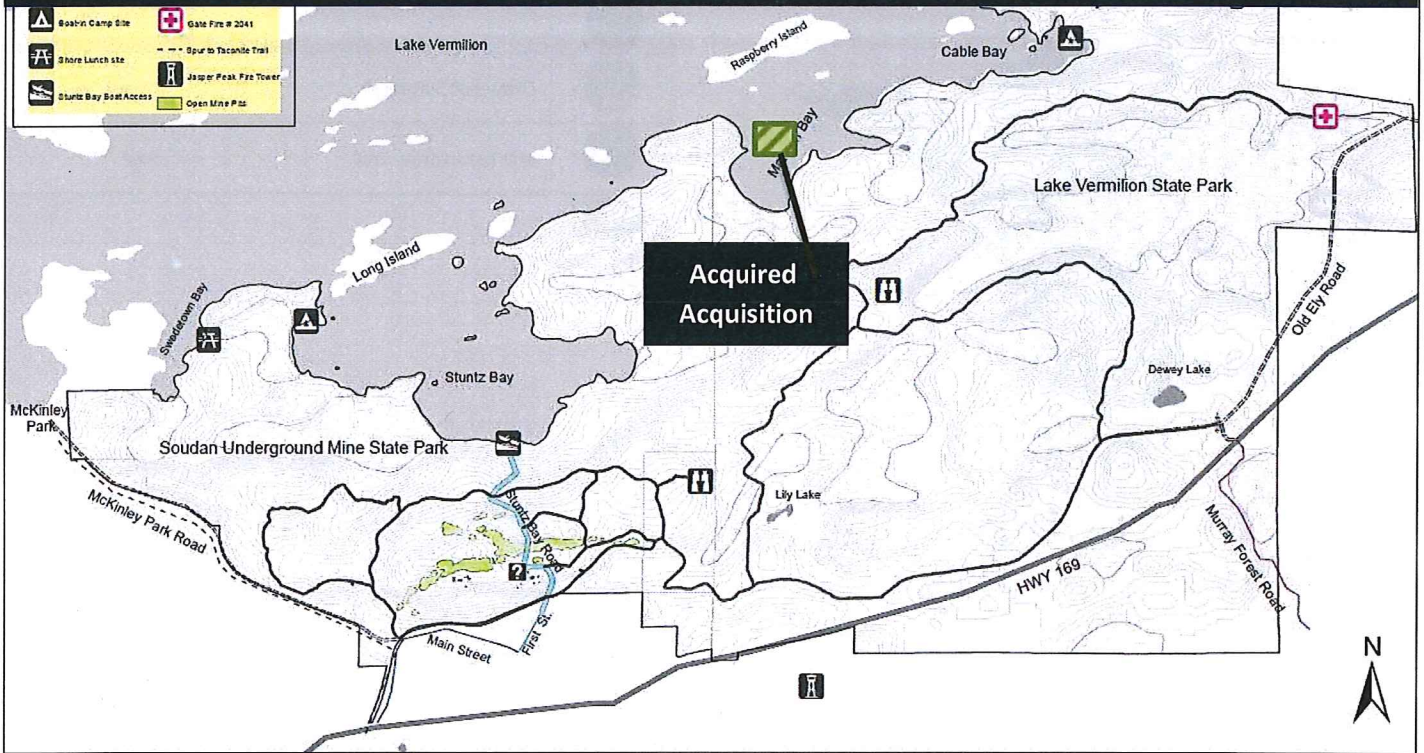


Map #	Facility Name	County
1	Lake Vermilion State Park	St. Louis
2	Frontenac State Park	Goodhue
3	Mill Towns State Trail	Rice

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### 2013 LCCMR State Parks and Trails Land Acquisition: Lake Vermilion State Park



2013 LCCMR State Parks and Trails Land Acquisition –Partially Funded  
Acquired: Mill Towns State Trail

