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1996 - 2001

*Minnesota Strategic
Capital Budget Plan*

Environment

Presented by Governor Arne H. Carlson to the 79th Legislature

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1996 - 2001 MINNESOTA STRATEGIC CAPITAL BUDGET PLAN

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Minnesota Strategic Capital Budget Plan 1996-2001

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STATE OF MINNESOTA**FY 1996 - 2001****Capital Budget Requests****Governor's Recommendations****(By Agency & Scores)****(in \$000)**

Project Description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation FY 96	Governor's Planning Estimates	
				FY 96	FY 98	FY 00		FY 98	FY 00

Agriculture

Rural Finance Authority Loan Participations	01	425	GO/UF	41,000	41,000	44,000	41,000	0	0
Climatic Monitoring Stations	03	235	GF	271	0	0	0	0	0
Model Farming Systems	02	225	GO/GF	3,316	0	0	0	0	0
Greenhouse for Rearing Biological Agents	04	135	GO	325	0	0	0	0	0
Agency Totals				\$44,912	\$41,000	\$44,000	\$41,000	\$0	\$0

Funding Source

GO = General Obligation Bonds

THF = Trunk Highway Fund

FF = Federal Funding

GF = General Fund Direct Appropriation

UF = User Financing

LF = Local Funding

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AGENCY CAPITAL BUDGET BRIEF
Strategic Planning Summary
Fiscal Years 1996-2001

Form A

1. AGENCY: Agriculture, Department of (MDA)

2. AGENCY MISSION STATEMENT:

The mission of the Department of Agriculture (MDA) is to foster a diverse agricultural industry that is environmentally and economically sustainable, to protect public health and safety, and to assure orderly marketing for the products of agriculture.

The customers for department services are producers, processors, retailers, exporters, and consumers of agricultural products; agricultural societies and associations; farm groups and organizations; local, state and federal government agencies; and the public-at-large.

3. TRENDS, POLICIES AND OTHER ISSUES AFFECTING THE DEMAND FOR SERVICES, FACILITIES OR CAPITAL PROGRAMS:

To accomplish its mission, MDA administers numerous statutes and rules. The framework for all activities, however, is established in M.S. 17.03 which lists the general powers of the commissioner. The MDA conducts inspections; licenses products and facilities; collects and analyzes samples; conducts studies, including gathering and analyzing data; carries out pest and environmental monitoring; administers agriculture environmental programs; assists persons to enter into farming as a vocation; provides affordable credit for farmers to make capital improvements, such as manure handling facilities, and expand livestock production; and conducts educational and promotion activities.

Major factors that affect agriculture and the MDA are:

- **Environmental Awareness:** The increasing recognition of the environmental impacts of agricultural activities will cause more resources to be spent on environmental monitoring, compliance and remediation. As a major user of natural resources and producer of the food and fiber supply, all agricultural activities will be affected, ranging from the production of inputs through production agriculture to processing and final consumption of agricultural products.

- Minnesota is faced with declining numbers of farmers. The very low number of people entering farming as a vocation continues to be a challenge.

- **Federal Policy:** The 1995 farm bill and the reauthorization of the Clean Water Act are expected to impact department and client programs. Along with a more market oriented agriculture will come policies to better protect natural resources from unwise or environmentally damaging agricultural practices. Conservation compliance laws and regulations are expected to put more pressure on producers and the agricultural supply industry. The Sodbuster provision in the 1995 farm bill requires operators to develop conservation plans when farming new or highly erodible lands. The conservation plans are developed in consultation with local officials and are based on local soil and climate conditions. The model farm research systems will help to make more precise recommendations available to farmers developing conservation plans.

In addition new federal regulations are expected to focus on the pesticide monitoring abilities of states.

The US Environmental Protection Agency has been developing a program requiring all states to develop a State Management Plan for pesticide control, monitoring and response. The planned requirements call for states to discuss activities to assess vulnerability of areas planned for pesticide use, describe monitoring tools and methods, and provide justification of methods used to collect data. The proposed model farming systems and climate monitoring stations will assist the development of Minnesota's State Management Plan by making available better predicting and understanding of pesticide run off.

- **Shifts in the livestock industry:** The livestock industry has become very competitive, with production and processing shifting both structurally as well as geographically. States and regions actively vie for increased market share. Key ingredients to the growth of this industry are state investments in infrastructure, research and other prerequisites.

AGENCY CAPITAL BUDGET BRIEF
Strategic Planning Summary (Cont'd.)
Fiscal Years 1996-2001

Form A

- New research and technological developments: The growth in new research and technologies on single management components has been great. However, there is the need to focus the various components at sites under specific field conditions in order to develop a systems approach to managing individual farms.
- The MDA has devoted resources to help with education, financial assistance and rules and laws for producers that face changes in their operations to meet compliance standards. Issues of affordability, lack of appropriate technology, and public perception have all been addressed by the department, often by working closely with other agencies and academic institutions.
- Nonpoint Source Pollution. The Minnesota River Assessment Project (MnRAP) and related efforts have identified some agricultural practices as contributors to nonpoint source pollution (NPS). In addition, the state's adopted Nonpoint Management Plan identifies topical areas in which implementation measures are necessary to address agricultural sources of NPS. However, mitigating or eliminating agricultural sources of NPS will challenge agricultural producers, agricultural supply businesses, the U of M, and state, local and federal governments. The mitigation and prevention of agricultural NPS will require intensified levels of research, planning, communication and coordination among existing agencies and programs.
- The Minnesota River. According to the Minnesota Pollution Control Agency, the Minnesota River is one of the state's most highly polluted waters, particularly from nonpoint sources. Past assessments of the Minnesota River have identified agriculture as one of several potential contributors of nonpoint source pollution. The governor's office has also made the Minnesota River a priority, with a goal of having the river "fishable and swimmable by the year 2002."
- Nonpoint Source Reduction. The MDA, as part of the F.Y. 1993-95 biennial budget, proposed an initiative that would bring producers and agencies into a closer working relationship. The request, entitled the Nonpoint Source Pollution Reduction Initiative, was approved and funded along with several other NPS reduction projects.

The goals of the initiative are:

- full utilization of past and current investment in agricultural research, organized and directed at NPS problems and challenges;
- increased coordination among, and results from, existing programs or efforts at local, state, and federal level and complimentary planning and program delivery;
- enhanced management/dissemination of agricultural BMP's at state, federal and local levels;
- enhanced efforts by producers regarding preventive efforts regarding NPS; and
- decreased future expenditures by lessening need for remedial efforts.

A major part of the initiative was based on consultation with the Minnesota River Agriculture Team (MnRAT). MnRAT is an advisory task force appointed by the commissioner of Agriculture to provide guidance on how to best carry out the initiative. The team also looks at ways to best coordinate and deliver NPS programs to producers. MnRAT helped to formulate reasonable goals, identify producer needs, and coordinate agency efforts towards NPS issues.

The producer subcommittee of the MnRAT contributed the following considerations to help agencies address the producer role in reducing nonpoint source pollution:

- Researchers and regulators must incorporate soil types and climatic variations into recommendations to farmers. There is a concern over state-wide or watershed wide recommendations regarding land management practices.
- Researchers and regulators must establish a cause and effect relationship between land management practices and quality of water running off of crop land.
- Researchers and regulators must provide a clear and attainable measure or definition of successful practices.
- Agencies must provide farmers with precise information and assistance on how their farms fit into water quality goals of the state so they can make decisions on what works best in their operation.
- There is concern that adequate science does not exist on which to make regulations and recommendations.

AGENCY CAPITAL BUDGET BRIEF
Strategic Planning Summary (Cont'd.)
Fiscal Years 1996-2001

Form A

- Farmers need cost benefit analyses and risk assessments for conservation practices, tillage, planting, and a wholesale operational change.

Based on the MnRAT input, better producer decision making can be achieved with up-to-date and precise monitoring from all regions of the state. The MDA formulated this request to meet these needs. More specifically, the following components address these needs:

- Model farming systems;
- Agroecoregion monitoring, and
- Greenhouse for rearing biological control agents.

Minnesota's existing Agricultural Experiment Stations were created to conduct research into new and hybrid crop lines. In addition to other research the stations now do valuable environmental monitoring, focusing on agriculture's contribution to nonpoint source pollution. However, these stations are not located in every part of the state that requires precise agricultural monitoring and research.

There is a need for research and monitoring stations that cover each major climatic region and soil type in Minnesota. The diversity of climates in Minnesota result from varying temperature ranges and rainfall amounts. Rainfall variations range from dry in western Minnesota to wet in eastern Minnesota. Temperature regimes are divided into cool (northern), moderate (central) and warm (southern). These variables define 6 climatic regions. Agricultural conditions within these regions vary by soil type. The results of this monitoring will allow farmers to make informed environmental decisions.

The purpose of the Rural Finance Authority (RFA) is to develop the state's agricultural resources by extending credit on farm real estate security. Production agriculture is a major part of the state's economy. The legislature has determined that providing credit for farmers on favorable terms and conditions will serve and promote the public welfare by enhancing the financial stability of farmers and, consequently, the financial stability of the businesses which depend on farmers as customers and supplier of products. The RFA carries out this purpose by purchasing participation in loans to be made by agricultural lenders to farmers on terms and conditions not otherwise available from other credit sources.

This provides the generational transfer of farm assets of economically viable farming operations and the expansion or improvement of production facilities to enhance profitability and maintain a strong livestock industry in Minnesota. The USDA predicts that nearly 1/4 of all those farming in 1992 will have quit by the year 2002 and that securing affordable credit is one of the roadblocks facing prospective young farmers. At the same time, Minnesota farmers are falling behind in the adoption and utilization of the new and improved production technologies and management practices being promoted in other regions of the country who are vigorously competing for a larger share of the livestock industry and the economic activity that it will bring. Particularly vulnerable is the dairy industry. On average, Minnesota is losing 3 dairy farms a day. Milk and cheese plants are closing because of insufficient milk supplies.

Currently, only chemical pesticides are being used to control household plant pests. This results in urban runoff of pesticides and incurs heavy cleanup costs. Biological control agents offer a safe and sustainable control for household plant pests.

Several commercial crops can now be partially protected by biological control agents such as the egg parasite of the corn earworm. Further development of these agents and others will offer a safe, clean pest control option.

A realization of the benefits of biological control and a transition toward the concept of sustainable biological control will greatly aid Minnesota agriculture.

4. **PROVIDE A SELF-ASSESSMENT OF THE CONDITION, SUITABILITY AND FUNCTIONALITY OF PRESENT FACILITIES, CAPITAL PROJECTS OR ASSETS:**

The programs of several state agencies are being focused or enhanced to develop a complete state effort to address the issue of Nonpoint Source Pollution (NPS). The MDA has several responsibilities and programs that are key to developing a successful state effort regarding agricultural sources of NPS. These authorities are to:

- Encourage and promote the development of agriculture;
- Identify and promote sustainable agricultural practices;

AGENCY CAPITAL BUDGET BRIEF
Strategic Planning Summary (Cont'd.)
Fiscal Years 1996-2001

Form A

- Develop and promote BMP's for fertilizers and pesticides;
- Assist local government in protecting agricultural uses of lands; and
- Provide assistance to producers through low interest loans.

The following activities relating to the department's long term goals are supported through the state operating budget:

- The Agricultural Nonpoint Source Pollution activities of the MDA are focused to help meet MDA and state goals of reducing nonpoint source pollution. One purpose of these activities is to assist livestock producers with all aspects of manure collection, storage and utilization. The activities identify and implement programs that include information dissemination, research on livestock manure collection systems, environmentally sound utilization practices, agricultural chemical BMP's, sustainable agricultural practices and involving livestock producers in program development.
- The MDA received an appropriation during the 1995 session to conduct whole-farm planning in selected watersheds.
- The MDA is making available funds to local governments to assist farmers in implementing practices that help implement local water plans. Local units, in turn, will provide loans for agriculture best management practices that prevent or mitigate nonpoint source pollution.
- The MDA operates surface and groundwater quality monitoring program for pesticides in support of its education and regulatory roles.
- The MDA provides regulatory oversight of pesticide and fertilizer storage, application, and cleanup.
- The MDA jointly staffs the Feedlot and Manure Management Advisory Committee (FMMAC), a committee made up of producers, regulators, and agricultural resource specialists, are addressing livestock agriculture's role in NPS pollution.
- The MDA administers the Energy and Sustainable Agriculture Program (ESAP), which provides grants and loans to support the transition to

and adoption of sustainable agriculture practices including on farm manure composting efforts.

- The MDA administers the Rural Finance Authority (RFA). The legislature has made several additions and enhancements to the loan programs administered by the RFA since its transfer to the MDA in 1991. The RFA has attracted the cooperation of over 345 lending facilities, an increase of more than 100 over the past 2 years. The \$33 million of state loan participations have leveraged approximately \$85 million in total loans to assist 786 farmers acquire farm land, restructure their agricultural debts, make farm improvements and expand livestock production. Repayment of these loans has consistently met the debt servicing needs of the state bonds sold to provide the needed loan funds.

5. DESCRIBE THE AGENCY'S LONG-RANGE STRATEGIC GOALS AND CAPITAL BUDGET PLAN:

The department has statutory authority in several areas to develop or participate in the development of long range strategic goals or plans. Moreover, a major policy goal is "Fostering stewardship and environmental protection by encouraging sustainable agriculture production and development. To achieve this policy goal, the department has developed, participated in the development, or is developing the following plans or programs based upon its statutory authority:

- The 1989 Groundwater Protection Act directed the department to prepare nitrogen management and pesticide management plans.
- Participated in the development of the state nonpoint pollution plan "Minnesota Nonpoint Source Management Program, 1994." The action plans in four chapters address aspects of production agriculture.
- The department is developing an Agricultural Nonpoint Source Implementation Plan for the Minnesota River basin drawn upon the findings of MnRAP and related efforts.
- A state approach to the promotion or use of sustainable agriculture and integrated pest management on public and private lands.

AGENCY CAPITAL BUDGET BRIEF
Strategic Planning Summary (Cont'd.)
Fiscal Years 1996-2001

Form A

- A program of financial support for local units of government to assist farmers with implementing agricultural Best Management Practices that will implement local water plans.
- The development, promotion, evaluation and field auditing of agricultural Best Management Practices.

This capital budget request will help achieve these goals and implement plans by providing the infrastructure by which the efforts of research organizations, the programs of local, state and federal agencies, and the problems of producers can be focused in long term research and development efforts. It represents a significant effort to focus and coordinate efforts, according to agroecoregions, in order to improve private decision making while protecting the environment.

6. AGENCY PROCESS USED TO ARRIVE AT THESE CAPITAL REQUESTS:

The MDA based this request on the needs of agricultural producers.

Through the MnRAT and the FMMAC, producers have articulated their need for increased monitoring and research results from regions around the state. In short, producers needed customized, up-to-date research results to make informed decisions. The MDA consulted soil science experts, the Agriculture Experiment Station staff, and agronomy specialists to determine the gaps in agricultural research. A gap in "in field" research and monitoring was apparent. The MDA contracted with the Agriculture Experiment Station to identify agro-ecological regions, and assess current research data. The station was also asked to examine the locations of existing agriculture experiment stations and monitoring stations and compared them with climatological and soils maps to find which areas of the state would benefit the most from the locations of monitoring stations.

The specialists also provided a list of necessary equipment and costs associated with that equipment.

Agricultural producers and the agricultural credit industry, especially the rural independent bankers, indicate there is a great and continuing need for the RFA loan programs. Younger farmers with lower equity find it

especially difficult to obtain adequate, affordable credit for real estate purposes. Some rural banks have difficulty meeting their farmer customers' needs without the RFA programs due to credit line limits and banking regulations. Loan volume predictions were based on the use of a combination of taxable and tax exempt bond proceeds and agriculture lender feedback.

7. AGENCY CAPITAL BUDGET PROJECTS DURING THE LAST SIX YEARS (1990-1995):

The legislature appropriated \$365 thousand in Laws 1992, Chap. 558, Sec. 20 for a seed potato facility in East Grand Forks. In 1995 the legislature appropriated an additional \$103 thousand to complete the Seed Potato Facility.

The RFA was transferred to the agency on 7-1-91. Minnesota Laws 1986, Chapter 398, provided the RFA with a \$50 million general obligation bond allocation. At time of transfer, only \$9.8 of general obligation funds had been utilized for loan participation.

8. OTHER (OPTIONAL):

None.

9. AGENCY CONTACT PERSON, TITLE, AND PHONE

Gerald F. Heil, Director, Agriculture Planning and Development
90 W. Plato Blvd.
St. Paul, MN 55107, 296-1486.

AGENCY CAPITAL BUDGET BRIEF
Projects Summary
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form B

AGENCY: Agriculture, Department of

Project Title	1996 Agency Priority Ranking	Agency Project Requests for State Funds (\$ by Session)				Statewide Strategic Score	Governor's Rec's 1996	Governor's Planning Estimates 1998	Governor's Planning Estimates 2000
		1996	1998	2000	Agency Total				
Rural Finance Authority Loan Participations	1	41,000	41,000	44,000	126,000	425	41,000	-0-	-0-
Model Farming Systems	2	3,316	-0-	-0-	3,316	225	-0-	-0-	-0-
Climatic Monitoring Stations	3	271	-0-	-0-	271	235	-0-	-0-	-0-
Greenhouse For Rearing Biological Control Agents	4	325	-0-	-0-	325	135	-0-	-0-	-0-
Total Project Requests:		\$44,912	\$41,000	\$44,000	\$129,912		\$41,000	\$-0-	\$-0-

AGENCY CAPITAL BUDGET BRIEF
Facilities Summary
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form C

AGENCY: Agriculture, Department of (MDA)

Agency Facility Information	F.Y. 1993 (Actual)	F.Y. 1994 (Actual)	F.Y. 1995 (Actual)	F.Y. 1996-97 (Estimated)	1996 Session (Requested)
Gross Square Footage of State Owned Buildings (in 000s)	-0-	-0-	13	13	20
Leased Square Footage (in 000s)	87	87	87	87	-0-

Agency Operating Budgets	F.Y. 1993 (Actual)	F.Y. 1994 (Actual)	F.Y. 1995 (Budgeted)	F.Y. 1996 (Budgeted)	F.Y. 1997 (Budgeted)
Operating Repair and Betterment Account(s)	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Operating Maintenance Account(s)	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Lease Payments	\$ 1,657	\$ 1,696	\$ 1,746	\$ 1,873	\$ 1,873

Agency Capital Budgets	F.Y. 1990-91	F.Y. 1992-93	F.Y. 1994-95
Agency CAPRA Allocations (from Dept. of Admin.)	\$ -0-	\$ -0-	\$ 103
HEAPRA Allocations (for higher education systems only)	\$ N/A	\$ N/A	\$ N/A

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AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

AGENCY: Agriculture, Department of (MDA)
PROJECT TITLE: Rural Finance Authority Loan Participations

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$41,000
STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$41,000
STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$44,000
LOCATION (CAMPUS, CITY, COUNTY): Statewide

AGENCY PRIORITY (for projects in the 1996 session only):

1 of 4 requests

1. PROJECT DESCRIPTION:

The Rural Finance Authority (RFA) was established in 1986 and originally located in the Department of Finance. The stated purpose of the RFA programs and of the bonds issued to finance the programs is to purchase participation interest in loans to be made available by agricultural lenders to farmers on terms and conditions not otherwise available from other credit sources. The initial program was a restructure program for lenders holding farm real estate loans that had become under-secured due to a major drop in farm land values. RFA participation was 25% up to \$50 thousand with interest only payments for 8 years. Changes in Federal Land Bank loan servicing policies and rebounding land values limited the usefulness of this program. Eighty-seven loan participations for \$3.2 million were written between January 1987 and September 1988.

In 1987, the legislature instructed the RFA to develop and implement a farm ownership program to assist beginning farmers to purchase their own farms. Initially, the RFA participation with lenders was 35% of the loan up to \$50 thousand. This was subsequently raised to 45% of the principal amount of the loan or \$100 thousand, whichever is less. Eligibility requirements include: (1) have sufficient education, training or experience to succeed in the type of farming that they intend to pursue; (2) have a total net worth of less than \$224.5 thousand, indexed for inflation; (3) agree to enroll in a farm business management program approved by the Commissioner of

Agriculture, and (4) agree to obtain credit life insurance for the amount of the debt incurred. One of the primary benefits to borrowers under the Beginning Farmer program is reduced interest costs. The RFA portion is currently at 6.5% interest while the rate from commercial lenders is around 9.5%. The other primary benefit to eligible farms is that RFA participation enhances the availability of needed credit.

In 1988, a bill was passed to establish a farm ownership program using partial seller financing to assist new and re-entry farmers. The Seller-Sponsored program is very similar to the Beginning Farmer program with one exception. This program is designed to permit the sellers of a farm to fund a portion of the financing essential to the completion of the sale. The seller agrees to subordinate their financing to the lender/RFA. The lender and the RFA provide the balance of the funds with a first mortgage. The down payment is negotiable.

The Agriculture Improvement Loan Program was passed in 1992 to provide assistance in upgrading milk production facilities to Grade A standards. This was initially established as a direct loan program with a maximum loan of \$20 thousand. Eligibility for this program was expanded in 1993; the direct loan maximum was increased to \$35 thousand and a participation provision was included at 45% of the loan to a maximum of \$50 thousand so that the RFA could work with lenders on this activity as well. The participation cap was increased to \$100 thousand in 1995.

Due to severe weather damage to crops in certain parts of the state in 1991 and 1992, the Restructure Program was revived by the 1993 legislature. Changes were made so that credit-worthy farmers with equity in land but heavy short-term debt load and other high cost debt could refinance to improve debt structure and cash flow. Eligibility criteria include: (1) applicant have received at least 50% of average annual gross income from farming for the past 3 years, (2) only agriculturally related debt is included, and (3) applicant have a debt to asset ratio over 50%. RFA will participate on 45% of the mortgage up to a maximum of \$100 thousand.

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

The Livestock Expansion Loan Program was added by the 1994 legislature to promote and encourage increased livestock production and the adoption of the more up-to-date, efficient production systems by livestock producers. Participation was initially set at 45% of the loan principal up to a maximum of \$100 thousand. The maximum was increased by the 1995 legislature to \$250 thousand.

Interest in the RFA loan programs has markedly increased in the past 2 years, as shown by the table below.

After subtracting some bond costs, a little over \$11.7 million remains at the beginning of F.Y. 1996 of the prior \$50.0 million allocation. The RFA Board has taken steps to reduce loan activity until additional bonding authorization is available. The following table indicates projected loan participation to support this request, which includes \$3.0 million additional bonding to be available in F.Y. 1996.

<u>LOAN PARTICIPATIONS CLOSED</u>						<u>PROJECTED LOAN PARTICIPATIONS</u>						
	Prior to F.Y. 1993	F.Y. 1993	F.Y. 1994	Prelim. F.Y. 1995	Totals All Years		F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001
Basic Beg.						Basic Beg.						
No. (in \$000)	261 7,304	53 2,158	98 4,525	146 7,188	558 21,174	No. (in \$000)	110 6,557	120 6,960	130 7,800	140 8,400	140 8,640	140 9,100
Seller Assisted						Seller Assisted						
No. (in \$000)	14 422	4 159	2 77	6 215	26 873	No. (in \$000)	4 172	4 165	4 165	4 170	4 170	4 175
Ag. Imp.						Ag. Imp.						
No. (in \$000)	-- --	4 72	19 607	28 937	51 1,616	No. (in \$000)	27 1,427	38 2,325	38 2,315	40 2,400	40 2,400	40 2,500
Restructure II						Restructure II						
No. (in \$000)	86 3,208	-- --	16 994	116 8,236	218 12,438	No. (in \$000)	61 4,581	45 3,375	45 3,375	40 3,200	40 3,200	40 3,200
Livestock Exp.						Livestock Exp.						
No. (in \$000)				26 2,069	26 2,069	No. (in \$000)	17 1,989	30 5,400	34 6,120	34 6,120	35 6,300	35 6,300
Total Farm Participations						Total Farm Participations						
No. (\$ 000)	361 10,934	61 2,389	135 6,203	321 18,645	878 38,171	No. (\$ 000)	219 14,726	237 18,225	251 19,775	258 20,290	259 20,710	259 21,275

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

The purpose of the Minnesota Rural Finance Authority Act of 1986 as cited in Laws of Minnesota, 1986, Chap. 398, was to "create and establish the Minnesota rural finance authority and establish a program under which state bonds are authorized to be issued and proceeds of their sale are appropriated under the authority of Art. XI, Sec. 5, Clause (h) of the Minnesota Constitution, to develop the state's agricultural resources by extending credit on real estate security."

Both general obligation and revenue bonds were authorized. The Department of Finance determined that revenue bonds were not feasible. Thus, general obligation bonds have been utilized since the inception of the RFA.

It should be noted here that all bond proceeds are repaid by the RFA. Bond proceeds are used to purchase loan participations. These loans are paid back. The loan repayments are deposited into a bond servicing account to make payments on the bonds as is determined by the Department of Finance. The loan participations are priced to provide full interest and principal coverage plus reserve for loss. Thus, there is no long term net cost to the general fund for bonds utilized by the RFA.

An amount equal to one-half of one percent of the participation principal balance outstanding is collected with each payment deposited to a loan loss reserve account. There is currently over \$355 thousand in this reserve to cover any loan repayment shortfall from defaulted loans. The incidence of loan defaults has been minimal. Overall risk to the state has been reduced by wide geographic distribution of participations involving a diverse mix of farming enterprises, RFA underwriting standards that limits loan penetration and statutory limits on level of participation.

The RFA fits directly into the MDA's Mission, which, in part, is "... to foster and maintain a diverse agricultural industry that is economically profitable ..." and into MDA's goal of supporting farm families. The RFA also meets the criteria and goals of Minnesota Milestones to promote "a prosperous people."

The RFA's request is the primary component of the MDA's capital plan. One year ago, it appeared the current RFA bonding authority would be

sufficient through F.Y. 1998. However, legislative changes in various loan programs and a recent tremendous increase in applications has reduced that projection to sometime in F.Y. 1996.

3. PREVIOUS PROJECT FUNDING:

Laws of Minnesota, 1986, Chapter 398, Article 6, Section 19, provided authorization for \$50 million in state general obligation bonds.

4. OTHER CONSIDERATIONS (OPTIONAL):

N/A

5. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Wayne Marzolf, Assistant Director
 MN Dept. of Agriculture
 90 W. Plato Blvd.
 St. Paul, MN 55107
 296-1748

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-2

TYPE OF REQUEST (Check all that apply):

- Acquisition of State Assets
- Development of State Assets
- Maintenance of State Assets
- Grants to Local Governments
- Loans to Local Governments
- Other Grants (specify):
Loan participations with lending institutions for eligible farmers

PROJECT CHARACTERISTICS (Check all that apply):

- Health and Safety
- Enhancement of Existing Programs/Services
- Expansion of Existing Program/Services
- Provision of New Program/Services
- Other (specify):
Continuation of existing loan programs

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

- Cash: \$ _____ Fund _____
- Bonds: \$ 41,000 Tax Exempt Taxable

STATE DEBT SERVICE PAYMENTS (Check all that apply):

- General Fund % of total _____
- User Financing % of total 100

Source of funds Repayment of Loans

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ <u>50,000</u>
State funding received	\$ <u>50,000</u>
Federal funding received	\$ <u>-0-</u>
Local government funding received	\$ <u>-0-</u>
Private funding received	\$ <u>-0-</u>
For 1996 Session (F.Y. 1996-97)	
State funding requested	\$ <u>41,000</u>
Federal funding	\$ <u>-0-</u>
Local government funding	\$ <u>-0-</u>
Private funding	\$ <u>-0-</u>
For 1998 Session (F.Y. 1998-99)	
State funding estimate	\$ <u>41,000</u>
Federal funding	\$ <u>-0-</u>
Local government funding	\$ <u>-0-</u>
Private funding	\$ <u>-0-</u>
For 2000 Session (F.Y. 2000-01)	
State funding estimate	\$ <u>44,000</u>
Federal funding	\$ <u>-0-</u>
Local government funding	\$ <u>-0-</u>
Private funding	\$ <u>-0-</u>
Total Project Costs (all years)	
State funding requested(all years)	\$ <u>176,000</u>
Federal funding (all years)	\$ <u>-0-</u>
Local government funding (all years)	\$ <u>-0-</u>
Private funding (all years)	\$ <u>-0-</u>

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

DEPARTMENT OF FINANCE ANALYSIS:

This project received the highest number of points of all of the Department of Agriculture's requests. It is the agency's top priority of its four requests. The request received the maximum number of points for agency priority, strategic linkage to the agency's mission to promote agriculture, customer services and statewide significance, and user financing.

GOVERNOR'S RECOMMENDATION:

The Governor recommends general obligation bonds of \$41.0 million for RFA loan programs. It is the intent that the debt service will be user financed over the life of the bonds.

The Governor is not recommending additional bonding for the outyear planning estimates at this time, but recommends that the demand for loans from taxable bonds be monitored over the next 2 years. If loan demand continues for these programs, the agency may request additional bonding in the 1998 legislative session.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	120
Safety Concerns	0/35/70/105	0
Customer Services/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	100
Asset Management	0/20/40/60	0
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	0
Total		425

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AGENCY CAPITAL BUDGET REQUEST
Building Project Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-1

AGENCY: Agriculture, Department of (MDA)

PROJECT TITLE: Model Farming Systems

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$3,316

STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$0-

STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$0-

LOCATION (CAMPUS, CITY, COUNTY):

AGENCY PRIORITY (for projects in the 1996 session only):

2 of 4 requests

1. PROJECT DESCRIPTION:

The University of Minnesota and state and federal agencies currently can only provide producers with general guidelines for Best Management Practices (BMPs). Recommendations to agricultural producers for conservation tillage, grass waterways, manure application, nutrient management and pesticide application are not refined by substate area or agroecoregions. (Agroecoregions are substate areas defined by soil, rainfall, temperature and other natural resource variables critical in production agriculture.) Moreover, existing research has focused on individual components of the on-farm management system. Consequently, producers must use generalized BMPs as well as choose components in their decision making regarding their management system. This proposal would address that need by conducting appropriate research in defined substate agroecoregions.

The University of Minnesota and state and federal agencies will be able to provide more precise recommendations to producers with the proposed model farming systems and climate monitoring. The availability of precise BMPs for some crops and areas (such as sugar beet growing regions) have allowed those farmers to greatly reduce the levels of pesticides and nutrients used on their farms. Unfortunately, the recommendations for major crops are still too general for the precise applications needed to address agriculture nonpoint source pollution issues. This can hamper state, watershed, or county based efforts to improve water quality by mitigating or preventing agricultural nonpoint source pollution.

The model farming systems sites will be located to fill gaps in the existing network of agriculture research stations and sites as compared to the defined

agroecoregions. Stations presently exist in Becker, Waseca, Crookston, Staples, Grand Rapids, Morris and Lamberton. The department proposes to create 13 additional sites in order to provide statewide coverage of agroecoregions. Moreover, while producers are a primary audience, the comprehensive system will also serve all Minnesotans in several other ways, the most notable through improved water quality and decreased health and safety risks.

The MDA will create 13 in-field systems research and monitoring sites to supplement existing Agricultural Experiment Stations and water quality monitoring work done by state, federal and local agencies. The sites will conduct "in field" monitoring. In field monitoring samples the quality of the water moving through cropland and running off of cropland.

Easements.

The MDA plans to obtain easements from producers for the use of their land for the model farming systems research and monitoring. The proposed sites will consist of 2 parts; one a control plot and one a treated plot. The treated plots will be treated with projects intended to prevent or mitigate nonpoint source pollution. The control plots will be monitored, but not treated. It will support usual farming practices and then used as a comparison to determine the effects of the management practices.

High Tech Plot Combine:

This small combine is equipped with monitoring equipment that measures yields for different sections of a farm field. This will help judge the effect of variables applied to small parts of fields. This combine weighs samples and makes detailed analyses of the crop yields.

Mobile Weighstations:

The most efficient way to calculate the amount of manure being applied to a field is by using weighstations. Weighstations are platforms that weigh manure spreaders. Precise application of manure and its relation to water quality is a major focus of the in-field research. Producers need to know how to apply manure as efficiently as possible.

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-1

Precision Farming Equipment:

Variable Rate Application Equipment:

For precise manure, pesticide and fertilizer application, variable rate application technology is needed. To apply precisely, the farmer must be able to adjust the rate of application depending on field conditions, slope, moisture, soil type, soil depth, etc.

Geographic Positioning System (GPS):

GPS satellites can communicate with harvesting equipment and tell the equipment to vary application rates based on field variables at a given position. This system allows farmers to apply, irrigate, and till with previously unattainable precision.

The use of precision farming equipment, combined with the monitoring equipment proposed, will allow researchers to pinpoint the source of undesirable run-off from agricultural land. In a sense, it would mean that so-called nonpoint source pollution could be traced to a specific source.

The decision making power that this would offer farmers is enormous. Researchers will be able to provide information to farmers planning to implement precision farming on their own farms. Researchers will be able to provide information that farmers could use to make decisions in their operations.

Remote Telemetry Base Station.

This station would collect the data sent to it by the weather stations and monitoring stations. This eliminates the need for extending a phone line out to the station or requiring staff to collect the data.

Monitoring Equipment.

The proposed equipment, including the diffusion controlled nitrogen analyzer, the dry combustion analyzer, weighing lysimeters, magnetic inductive resistance meter, and the spectrophotometer will allow researchers to track the amounts of nitrogen, phosphorus, organic matter, soil, and pesticides that are running off of a field. By monitoring substances that contribute to nonpoint source pollution, researchers can provide farmers with the data they need to make decisions that reduce agriculture's contribution to NPS.

Digital Camera and Image Scanning and Projection:

This equipment allows formatting and graphic representation of data collected by the stations. These tools would assist the education and outreach portion of the projects. The pictures and graphic representations of data will help clients visualize what the research results mean for their own operations.

Climate Monitoring Equipment.

On site climate monitoring equipment will supplement statewide climate monitoring stations. The equipment will monitor wind speed and direction, peak wind gust and precipitation total and intensity.

The environmental benefits of the model farming systems include:

- Sediment, resulting from soil erosion, is a problem in the Minnesota River and other rivers around the state. Recommendations more specific to a producer's landscape, soil type and rainfall situation will reduce sedimentation and soil loss.
- Nitrates contribute to groundwater pollution and are a health concern. Livestock manure and commercial fertilizers have been identified as contributors of nitrate pollution in Minnesota. The model farming systems research will allow for more precise application of manure and fertilizer to farm fields to prevent run off or leaching of excess nutrients.
- Phosphorus contributes to algae blooms and eutrophication in lakes and streams. Livestock manure has also been identified as a contributor of phosphorus in Minnesota's surface water. The model farming research will allow for more precise application of manure on crop fields for maximum crop benefit and minimum phosphorus losses.
- Fecal coliform bacteria, also a health concern, is an indicator of the presence of disease causing bacteria found in manure. More precise recommendations by farmers will help reduce or eliminate agricultural sources of the fecal coliform bacteria in Minnesota's lakes and streams.

The environmental benefits that the model farming systems will bring also enhance public health and safety by limiting the contamination of surface and groundwater caused by farming practices. The first health and safety benefit is safe drinking water. Precise pesticide, manure and fertilizer recommendations for producers will help protect groundwater supplies from contamination. The second health and safety benefit is from flood prediction.

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-1

The automated climate monitoring stations will help researchers predict flood conditions earlier and more accurately. They will also contribute to research projects assessing how to prevent flood conditions from developing, through land management or other mitigating practices.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

This project supports the MDA's long term goals of identifying and promoting sustainable agricultural practices, BMP's for fertilizer and pesticides and empowering clients to make informed decisions. In particular, the project addresses the need for long term research sites and the focusing of technologies and practices at one site under specific climatic conditions to develop management systems for on-farm adaption.

This request is related to several strategic plans completed by the department, or other planning in which the department participated. First of all, the project is directly related to four chapters contained in the "Minnesota Nonpoint Source Management Program, 1994" state nonpoint plan. The action plans in the chapters on Feedlots, Agricultural Erosion, Agricultural Nutrient Management and Agricultural Pesticides address aspects of production agriculture. The expected accomplishments of the plans include the presumed existence, development or evaluation of precise, site specific agricultural BMPs.

The request also relates to the provisions of the 1989 Groundwater Protection Act (Chaps. 18B and 103H). The department, in order to implement authority to develop and promote BMPs, as well as to implement provisions of adopted department plans regarding nitrogen and pesticide management, recognizes the need for enhanced, more sophisticated and precise BMPs. To accomplish this, researchers need to refine existing or develop new BMPs that will influence tens of thousands of private decisions regarding pesticides and nutrient applications. This can only be accomplished by conducting long term research and evaluation within each agroecoregion. The project is also key in supporting the recommendations that will be in the Agricultural Nonpoint Source Implementation Framework Plan being developed by the Minnesota River Agriculture Team (MnRAT), which is focused on the Minnesota River, but which will have statewide implications.

Minnesota's existing Agricultural Experiment Stations were installed to take advantage of good growing conditions for research into new and hybrid crop lines. In addition to other research the stations now do valuable environmental monitoring, focusing on agriculture's contribution to nonpoint source pollution. There are not sites located in every part of the state that require precise agricultural monitoring and research. There is a need for research and monitoring stations that cover each climatic region and soil type in Minnesota. The results of this monitoring will allow farmers to make informed environmental decisions.

For the purposes of describing gaps in information and research, the state is divided into "agroecoregions." Agroecoregions were developed to assist in long term planning, while dividing agricultural systems into unique resource areas. These unique agroecoregions are generalized to assist understanding, while focusing needed research and monitoring for the environment and agriculture.

The agroecoregion framework could expand current interdisciplinary and interagency cooperation. This will assist in identifying basic interrelationships of water, soil, climate and crop production. Agroecoregions will connect the management of the vast agricultural landscape to fish and wildlife, agroforestry, and water quality.

A network of field scale plots in each agroecoregion will assist producers, landowners, and home owners with decision making. A network of climatic, in-field, and stream monitoring could predict how water quality, vegetation and wildlife might change over time in response to various agricultural management practices. This capability will allow for extrapolation of long-term research to other agroecoregions with similar soil, climate and cropping patterns. These are defined by soil types, rainfall, and temperature.

The soil types found in Minnesota's agricultural regions are mainly:

Lacustrine:

Lacustrine, or clay based soils, are located in the Red River Valley, parts of the Minnesota River Basin, and southwestern Minnesota. Presently there is only one agricultural experiment station (Crookston) doing research in an area of

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
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Form D-1

Lacustrine soils. Since clay soils are a major source of sediment in Minnesota's rivers, it is crucial that more research focus on Lacustrine soils.

Sands

Outwash sands cover much of Minnesota. These soils are defined by easy filtering and little runoff. The relatively rapid rate at which these soils erode from wind and pass nutrients means that they must be carefully managed. Presently there are agricultural research sites in Grand Rapids, Becker, and Staples. The site in Becker is being used by the Anoka Sand Plains Project. Monitoring and research capability is needed in warm regions and dry regions.

Loess

Loess is some of the richest and most profitable soil in Minnesota. It exists in southern Minnesota and there are no agriculture monitoring and research sites providing data on erosion and runoff from loess soils. As a valuable yet vulnerable soil, in-field and stream monitoring is needed.

Glacial Till

Glacial Till exists in every climatic region of the state. There is agriculture based research being performed in Waseca, Morris, and Lamberton, but there are research gaps in several agroecoregions of the state that have Glacial Till based soils.

Using these parameters, 19 agroecoregions in which agricultural needs and environmental factors are unique can be defined. Of the 19 agroecoregions, 13 are without adequate research and monitoring sites.

The model farming system sites will be located in the following 13 regions presently without research facilities:

- A cool, wet region with Lacustrine soils present in north central Minnesota (mainly Aitkin and Itasca Counties).
- A warm, wet region with Lacustrine soil present in south central Minnesota (the Blue Earth River Basin of Blue Earth, Watonwan, Waseca and Faribault counties).
- A warm wet region with Loess soils located in southeastern Minnesota.
- Cool, wet region with sandy soils present in northeastern Minnesota.
- A warm dry region with sandy soils present in south central Minnesota

- Cool wet region with glacial till soils located in northeastern Minnesota (south of Duluth in Pine and Carleton counties).
- A moderate wet region with Glacial Till soils located in east central Minnesota (north of the Twin Cities).
- A moderate dry region containing Lacustrine soils located in western Minnesota along the Red River Valley.
- A warm dry region with Lacustrine soils located in western Minnesota in the headwaters of the Mississippi River (Yellow Medicine, Chippewa, Lac Qui Parle, and Swift Counties).
- A moderate dry region with Sandy soils located in west central Minnesota.
- A warm dry region with Sandy soils located in southwestern Minnesota
- A warm dry region with Loess soils located in the southwestern corner of the state
- A cool dry region with Glacial Till soils located in the north central region of the state.

3. IMPACT ON AGENCY OPERATING BUDGET (FACILITIES NOTE):

None.

4. PREVIOUS PROJECT FUNDING:

None.

5. OTHER CONSIDERATIONS (OPTIONAL):

None.

6. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Gerald F. Heil, Director, Agriculture and Planning Development
90 W. Plato Blvd.
St. Paul, MN 55107, 296-1486

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-2

PROJECT TYPE (check all that apply):

- Renewal of existing facilities or assets (no program expansion).
- Adaption of an existing facility for code-required changes, handicapped access or legal liability purposes.
- Adaption of an existing facility for new, expanded or enhanced uses.
- Construction or acquisition of a new facility for new, expanded or enhanced programs or for replacement purposes.

PROJECT CHARACTERISTICS (check all that apply):

- Safety/liability
- Asset preservation
- Code compliance
- Handicapped access (ADA)
- Hazardous materials
- Enhancement of existing programs/services
- Expansion of existing programs/services
- New programs/services
- Co-location of facilities
- Operating cost reductions and efficiencies
- Other (specify):

INFORMATION TECHNOLOGY AND TELECOMMUTING:

Information technology plan:

submitted to IPO	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> N/A
approved by IPO	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> N/A

Telecommuting plan or statement of non-practicability:

submitted to IPO	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> N/A
approved by IPO	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> N/A

AGENCY BUILDING NAME AND #: N/A

STATE-WIDE BUILDING ID #: N/A

FACILITY SQUARE FOOTAGE: N/A

Existing Building

N/A Gross Sq. Ft.

Project Scope

<u>N/A</u>	Gross Sq. Ft. Demolished
<u>N/A</u>	Gross Sq. Ft. Decommissioned
<u>N/A</u>	Gross Sq. Ft. Renewal or Adaption
<u>N/A</u>	Gross Sq. Ft. New Construction

Final Project Size

N/A Gross Sq. Ft.

Are there any space utilization standards that apply to your agency and this project?

Yes No.

If so, please cite appropriate sources:

CHANGES IN STATE OPERATING COSTS (Facilities Note):

	F.Y. 1996-97	F.Y. 1998-99	F.Y. 2000-01
Change in Compensation	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Change in Bldg. Oper. Expenses	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Change in Lease Expenses	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Change in Other Expenses	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Total Change in Operating Costs* ..	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

Other:

Change in F.T.E. Personnel

* All costs absorbed by University of Minnesota.

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-3

<u>TOTAL PROJECT COSTS (ALL YEARS/ALL FUNDING SOURCES):</u>	Project Costs (all prior years)	Project Costs (F.Y. 1996-97)	Project Costs (F.Y. 1998-99)	Project Costs (F.Y. 2000 and beyond)
1. Site and building preparation				
Site acquisition		\$ -0-		
Existing building acquisition		\$ -0-		
Other acquisitions costs:				
Environmental studies		\$ -0-		
Geotechnical survey		\$ -0-		
Property survey		\$ -0-		
Historic Preservation		\$ -0-		
Other (specify) <u>Easements</u>		<u>\$ 1,092</u>		
	1. Subtotal	\$ -0-	\$ 1,092	\$ -0-
2. Predesign fees	2. Subtotal	\$ -0-	\$ -0-	\$ -0-
3. Design fees				
Schematic design		\$ -0-		
Design development		\$ -0-		
Contract documents		\$ -0-		
Construction		\$ -0-		
	3. Subtotal	\$ -0-	\$ -0-	\$ -0-
4. Administrative costs and professional fees				
Project management by consultant		\$ -0-		
Construction management		\$ -0-		
Construction contingency		\$ -0-		
Other (specify)		\$ -0-		
	4. Subtotal	\$ -0-	\$ -0-	\$ -0-
5. Site and building construction				
On site construction		\$ -0-		
Off site construction		\$ -0-		
Hazardous material abatement		\$ -0-		
Other (specify)		\$ -0-		
	5. Subtotal	\$ -0-	\$ -0-	\$ -0-
6. Furniture, Fixtures and Equipment	6. Subtotal	\$ -0-	\$ -0-	\$ -0-
7. Occupancy	7. Subtotal	\$ -0-	\$ -0-	\$ -0-
8. Percent for art	8. Subtotal	\$ -0-	\$ -0-	\$ -0-
	Total without inflation (1 through 8)	\$ -0-	\$ 3,056	\$ -0-
9. Inflation multiplier .080	9. Subtotal	\$ -0-	\$ 260	\$ -0-
Mid-point of construction (mo./yr.) <u>03/97</u>				
	Total with inflation (1 through 9)	\$ -0-	\$ 3,316	\$ -0-

TOTAL PROJECT COSTS (all capital costs, all years)

\$ 3,316

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-4

FUNDING SOURCES:

Previous Project Funding (all prior years) \$ -0-
 State funding received \$ -0-
 Federal funding received \$ -0-
 Local government funding received \$ -0-
 Private funding received \$ -0-

For 1996 Session (F.Y. 1996-97)

State funding requested \$ 3,316
 Federal funding \$ -0-
 Local government funding \$ -0-
 Private funding \$ -0-

For 1998 Session (F.Y. 1998-99)

State Funding Estimate \$ -0-
 Federal funding \$ -0-
 Local government funding \$ -0-
 Private funding \$ -0-

For 2000 Session (F.Y. 2000-01)

State Funding Estimate \$ -0-
 Federal funding \$ -0-
 Local government funding \$ -0-
 Private funding \$ -0-

Total Project Costs (all years) \$ 3,316
 State funding requested (all years) \$ 3,316
 Federal funding (all years) \$ -0-
 Local government funding (all years) \$ -0-
 Private funding (all years) \$ -0-

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ 2,224 Fund General
 Bonds: \$ 1,092 Tax Exempt Taxable

STATE DEBT SERVICE PAYMENTS (Check all that apply):

General Fund % of total 100
 User Financing % of total
 Source of funds

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-5

DEPARTMENT OF ADMINISTRATION ANALYSIS:

Non-building projects or projects of a utility or infrastructure nature have been determined to not require predesign. The Model Farming Systems project covered by this request is not expected to present a predesign submittal but would require legislative review in accordance with M.S. 16B.335.

This request can not be reviewed as a building project request.

The agency is asked to review their project request in association with these comments and make appropriate amendments prior to legislative action on the bonding bill.

DEPARTMENT OF FINANCE ANALYSIS:

This request is the agency's second priority and scored a total of 225 points. Bond Proceeds Fund should only be used for that part of the request related to land easements of \$1.092 million. Bonding for the equipment and supplies are not recommended. The General Fund is a logical alternative to bonding, but dedicated revenue or funding currently under the purview of the LCMR could be considered for funding this request.

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend capital funds for this project.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	80
Safety Concerns	0/35/70/105	0
Customer Services/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	75
User and Non-State Financing	0-100	0
Asset Management	0/20/40/60	0
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	0
Total		225

	Predesign	Schematic Design	Design Devel.	Const. Doc.	Const.
Prior Funding:	<input type="checkbox"/>				
Agency Request:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Governor's Recommendation:	<input type="checkbox"/>				

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-1

AGENCY: Agriculture, Department of (MDA)

PROJECT TITLE: Climatic Monitoring Stations

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$271

STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$-0-

STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$-0-

LOCATION (CAMPUS, CITY, COUNTY): Statewide

AGENCY PRIORITY (for projects in the 1996 session only):

3 of 4 requests

1. PROJECT DESCRIPTION:

The climatic monitoring stations collect data representing 11 climatic variables important to agricultural producers and researchers. The stations feed the results automatically to a central location where they are assembled into a format that can be used by the producers and researchers.

The weather and climate data collected by the stations help producers make nutrient and pesticide management decisions. For example, precise climate data allows researchers to predict pest outbreaks more accurately and subsequently advise producers on management strategies. This allows producers to apply pesticides more accurately, reducing pesticide use and saving money, while lessening the amount that ends up in surface and groundwater.

The stations will primarily serve agricultural producers and the agricultural research community. However, they will also serve the general public with better predictions of climate influenced conditions such as floods, fire hazard and pest outbreaks. The stations will also enhance general weather and climate prediction in Minnesota.

The MDA proposes to expand the current system of monitoring stations that record precise climatic data for use by agricultural producers. The University of Minnesota operates a network of 18 automated climate stations. The MDA has identified 9 agroecoregions that are not represented by the University's stations. The MDA proposes to expand the current system to include these regions. The new stations (as are the existing stations) will be automated and

their location will be based on the variable climatic conditions present in Minnesota.

As explained in the project rationale section, the MDA has defined 19 agroecoregions in the state. Climate monitoring stations are needed for the diverse agricultural conditions in these regions.

This project will expand the current network into a comprehensive system that is statewide in geographic coverage and can better serve all the citizens of the state.

The comprehensive network will provide data that not only will influence those producers that chose to make decisions themselves, but will be used by extension educators, scientific researchers, crop consultants and others who provide technical advisory services directly to producers. The data will improve the technical advice given to producers, as well as helping refine research recommendations regarding specific Best Management Practices in varying soil types, microclimates and landscapes. The database will also be valuable in conducting research, validating or calibrating models developed to predict nonpoint source pollution, etc.

The outcome of the actions will be to make more efficient the use of agricultural chemicals, thereby decreasing the amounts that are discharged into surface and groundwater supplies. The result will be less contamination of water and a lessening of health and safety problems potentially associated with the presence of these contaminants.

The most important part of the proposed monitoring is transforming the data to decision aids. To achieve this transformation, there are 3 steps:

- A. Collection of raw data: The equipment in each station will monitor rainfall, air temperature and relative humidity, solar radiation, wind speed and direction, peak wind gust, precipitation total and intensity, soil temperature (maximum, minimum) and barometric pressure.
- B. Transfer to central location: The stations will transfer the data collected by remote telemetry to stations that relay the information to a central location.

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-1

C. Conversion into helpful format: Information will be used to model flood levels, pest outbreaks, growing conditions, and a host of other factors critical to agricultural production.

The proposed agroecoregion climate monitoring stations are intended to fill the gaps left by the network of the existing climate monitoring stations managed by the University of Minnesota.

The University's stations are located in Crookston, Roseau, Becker, Princeton, Cedar Creek, Grand Rapids, Park Rapids, Perham, Staples, Westport, Rice, Haverhill, Cloquet, Rosemount, Waseca, Morris and Lamberton.

This network of stations leave 9 unique combinations of soil type, rainfall, and temperature that do not have adequate climate monitoring. These are:

- A warm, wet region with Lacustrine soil present in south central Minnesota (The Blue Earth River Basin of Blue Earth, Watonwan, Waseca and Faribault counties)
- A warm dry region with Lacustrine soils located in western Minnesota in the headwaters of the Mississippi River (Yellow Medicine, Chippewa, Lac Qui Parle, and Swift counties).
- A cool, wet region with sandy soils present in northeastern Minnesota.
- A warm wet region with sandy soils in south central Minnesota.
- A moderate wet region with glacial till soils in east central Minnesota
- A moderate dry region containing Lacustrine soils located in western Minnesota along the Red River Valley.
- A warm dry region with sandy soils located in southwestern Minnesota.
- A warm dry region with Loess soils located in the southwestern corner of the state.
- A cool dry region with Glacial Till soils located in the north central region of the state.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

This request is related to several strategic plans completed by the department, or other planning in which the department participated. First of all, the project is directly related to 4 chapters contained in the "Minnesota Nonpoint Source

Management Program, 1994" state nonpoint plan. The action plans in the chapters on Feedlots, Agricultural Erosion, Agricultural Nutrient Management and Agricultural Pesticides address aspects of production agriculture. The expected accomplishments of the plans include the presumed existence, development or evaluation of precise, site specific agricultural Best Management Practices (BMPs).

The request also relates to provisions of the 1989 Groundwater Protection Act. The department, in order to fully implement authority to develop and promote BMPs, as well as to implement provisions of adopted department plans regarding nitrogen and pesticide management, recognizes the need for enhanced and more sophisticated climate data. This is needed to refine existing or develop more precise BMPs that will influence tens of thousands of private decisions regarding pesticides and nutrient applications. The project is also key in supporting the recommendations that will be in the Agricultural Nonpoint Source Implementation Framework Plan being developed by the Minnesota River Agriculture Team (MnRAT), which is focused on the Minnesota River, but which will have statewide implications.

Weather monitoring and prediction are important to the MDA's mission because farmers can make more efficient decisions based on weather information and will be able to compete in an increasingly technological industry.

Farmers equipped with meteorological data are able to judge the best times to plant, apply manure, fertilizer, and pesticides, irrigate and harvest.

The environmental benefits to weather monitoring are great. For example, by applying pesticides and fertilizer at appropriate times, farmers can reduce runoff of these substances. Carefully timed harvesting and irrigation can reduce soil erosion and groundwater contamination.

For the purposes of describing regional variations in climate and environment, the MDA divided the state into "agroecoregions." The MDA contracted with the Agricultural Experiment Station to devise this generalized framework. Agroecoregions are defined principally by soil, rainfall and temperature. Rainfall variations range from dry in western Minnesota to wet in eastern Minnesota. Temperature regimes are divided into cool (northern), moderate

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-1

(central) and warm (southern). Temperature and rainfall define 6 climatic regions. Agricultural conditions within these regions vary by soil type.

The soil types found in Minnesota's agricultural regions are mainly:

Lacustrine: Lacustrine, or clay based soils, are located in the Red River Valley, parts of the Minnesota River Basin, and Southwestern Minnesota. Since clay soils are a major source of sediment in Minnesota's rivers, more monitoring of Lacustrine soils is crucial.

Outwash Sands: Outwash sands cover much of Minnesota. These soils are defined by easy filtering and easy runoff. The relatively rapid rate at which these soils erode and pass nutrients means that they must be carefully managed and monitored.

Loess: Loess is some of the richest and most profitable soil in Minnesota. As a valuable and erodible soil, careful monitoring of loess based soil regions is needed.

Glacial Till: Glacial Till exists in every climatic region of the state.

Using these parameters, 19 agroecoregions or areas within agroecoregions in which agricultural needs and environmental factors are sufficiently unique can be defined.

The environmental and climactic factors in these regions vary enough to warrant detailed climatological monitoring.

For example, the models that predict pest outbreaks are different in each agroecoregion. Precise monitoring of the agroecoregions will mean that models for predicting pest outbreaks can be refined and outbreaks can be predicted with greater precision than before. If models used to predict pest outbreaks are more reliable, then farmers can apply less pesticide but with greater precision. Improved models have already reduced pesticide application rates in Minnesota. In addition, such data will help producers make more efficient use of fertilizers.

The same holds true for flood prediction. The amount of rain water that the ground holds and the speed with which it enters the rivers in the state varies depending on the agroecoregion. Enhanced models created from the precise monitoring proposed will more accurately predict flooding conditions. The flood predictive capabilities of the stations will benefit public safety.

In summary, the stations will provide precise climatic data collected over many years. This data can be used to develop improved models on which producers may base operational decisions.

The results ultimately will be usable by the department and local water planners in making more efficient use of the resources allocated to the Agriculture Best Management Practices Loan Program (AgBMP). The development of more precise BMPs for specific agroecological regions will allow better targeting of funds to practices that will directly mitigate agriculture nonpoint source pollution within specific regions, and thereby lessen the environmental damage and the possibility of human health and safety problems.

3. **IMPACT ON AGENCY OPERATING BUDGET (FACILITIES NOTE):** None.
4. **PREVIOUS PROJECT FUNDING:** None.
5. **OTHER CONSIDERATIONS (OPTIONAL):** None.
6. **PROJECT CONTACT PERSON, TITLE, AND PHONE:**
Gerald F. Heil, Director, Agriculture Planning and Development
90 W. Plato Blvd.
St. Paul, MN 55107 296-1486

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
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Form D-2

PROJECT TYPE (check all that apply):

- Renewal of existing facilities or assets (no program expansion).
- Adaption of an existing facility for code-required changes, handicapped access or legal liability purposes.
- Adaption of an existing facility for new, expanded or enhanced uses.
- Construction or acquisition of a new facility for new, expanded or enhanced programs or for replacement purposes.

PROJECT CHARACTERISTICS (check all that apply):

- Safety/liability
- Asset preservation
- Code compliance
- Handicapped access (ADA)
- Hazardous materials
- Enhancement of existing programs/services
- Expansion of existing programs/services
- New programs/services
- Co-location of facilities
- Operating cost reductions and efficiencies
- Other (specify):

INFORMATION TECHNOLOGY AND TELECOMMUTING:

Information technology plan:

submitted to IPO	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> N/A
approved by IPO	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> N/A

Telecommuting plan or statement of non-practicability:

submitted to IPO	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> N/A
approved by IPO	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> N/A

AGENCY BUILDING NAME AND #: N/A

STATE-WIDE BUILDING ID #: N/A

FACILITY SQUARE FOOTAGE: N/A

Existing Building

N/A Gross Sq. Ft.

Project Scope

<u>N/A</u>	Gross Sq. Ft. Demolished
<u>N/A</u>	Gross Sq. Ft. Decommissioned
<u>N/A</u>	Gross Sq. Ft. Renewal or Adaption
<u>N/A</u>	Gross Sq. Ft. New Construction

Final Project Size

N/A Gross Sq. Ft.

Are there any space utilization standards that apply to your agency and this project?

Yes No.

If so, please cite appropriate sources:

CHANGES IN STATE OPERATING COSTS (Facilities Note):

	F.Y. 1996-97	F.Y. 1998-99	F.Y. 2000-01
Change in Compensation	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Change in Bldg. Oper. Expenses . . .	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Change in Lease Expenses	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Change in Other Expenses	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Total Change in Operating Costs* . .	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

Other:

Change in F.T.E. Personnel 0 0 0

* Costs absorbed by University of Minnesota.

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-3

TOTAL PROJECT COSTS (ALL YEARS/ALL FUNDING SOURCES):		Project Costs (all prior years)	Project Costs (F.Y. 1996-97)	Project Costs (F.Y. 1998-99)	Project Costs (F.Y. 2000 and beyond)
1. Site and building preparation					
Site acquisition			\$ -0-		
Existing building acquisition			\$ -0-		
Other acquisitions costs:					
Environmental studies			\$ -0-		
Geotechnical survey			\$ -0-		
Property survey			\$ -0-		
Historic Preservation			\$ -0-		
Other (specify) _____			\$ -0-		
	1. Subtotal	\$ -0-	\$ -0-	\$ -0-	\$ -0-
2. Predesign fees		2. Subtotal	\$ -0-	\$ -0-	\$ -0-
3. Design fees					
Schematic design			\$ -0-		
Design development			\$ -0-		
Contract documents			\$ -0-		
Construction			\$ -0-		
	3. Subtotal	\$ -0-	\$ -0-	\$ -0-	\$ -0-
4. Administrative costs and professional fees					
Project management by consultant			\$ -0-		
Construction management			\$ -0-		
Construction contingency			\$ -0-		
Other (specify) _____			\$ -0-		
	4. Subtotal	\$ -0-	\$ -0-	\$ -0-	\$ -0-
5. Site and building construction					
On site construction			\$ -0-		
Off site construction			\$ -0-		
Hazardous material abatement			\$ -0-		
Other (specify) _____			\$ -0-		
	5. Subtotal	\$ -0-	\$ -0-	\$ -0-	\$ -0-
6. Furniture, Fixtures and Equipment		6. Subtotal	\$ 250	\$ -0-	\$ -0-
7. Occupancy		7. Subtotal	\$ -0-	\$ -0-	\$ -0-
8. Percent for art		8. Subtotal	\$ -0-	\$ -0-	\$ -0-
	Total without inflation (1 through 8)	\$ -0-	\$ 250	\$ -0-	\$ -0-
9. Inflation multiplier .080		9. Subtotal	\$ 21	\$ -0-	\$ -0-
Mid-point of construction (mo./yr.) <u>03/97</u>					
	Total with inflation (1 through 9)	\$ -0-	\$ 271	\$ -0-	\$ -0-

TOTAL PROJECT COSTS (all capital costs, all years)

\$ 271

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-4

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ -0-
State funding received	\$ -0-
Federal funding received	\$ -0-
Local government funding received	\$ -0-
Private funding received	\$ -0-

For 1996 Session (F.Y. 1996-97)

State funding requested	\$ 271
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-

For 1998 Session (F.Y. 1998-99)

State Funding Estimate	\$ -0-
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-

For 2000 Session (F.Y. 2000-01)

State Funding Estimate	\$ -0-
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-

Total Project Costs (all years)	\$ 271
State funding requested (all years)	\$ 271
Federal funding (all years)	\$ -0-
Local government funding (all years)	\$ -0-
Private funding (all years)	\$ -0-

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ 271 Fund General
 Bonds: \$ _____ Tax Exempt _____ Taxable _____

STATE DEBT SERVICE PAYMENTS (Check all that apply):

<input type="checkbox"/> General Fund	% of total _____
<input type="checkbox"/> User Financing	% of total _____
Source of funds _____	

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-5

DEPARTMENT OF ADMINISTRATION ANALYSIS:

This request is for Furniture, Fixtures, and Equipment (FFE) only. Projects of a non-building nature have been determined to not require predesign. The Climatic Monitoring Stations project covered by this request is not expected to present a predesign submittal but would require legislative review in accordance with M.S. 16B.335.

DEPARTMENT OF FINANCE ANALYSIS:

This request is the agency's third of four priorities and scored a total of 235 points. The Department of Finance believes this request is ineligible for bonding because the request is exclusively for equipment, and does not include a structure of a capital nature. Therefore, the request is for a cash appropriation rather than from bond proceeds.

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend capital funds for this project.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	80
Safety Concerns	0/35/70/105	0
Customer Services/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	0
Asset Management	0/20/40/60	0
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	0
Total		235

	Predesign	Schematic Design	Design Devel.	Const. Doc.	Const.
Prior Funding:	<input type="checkbox"/>				
Agency Request:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Governor's Recommendation:	<input type="checkbox"/>				

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AGENCY CAPITAL BUDGET REQUEST
Building Project Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-1

AGENCY: Agriculture, Department of (MDA)

PROJECT TITLE: Greenhouse for Rearing Biological Control Agents

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$325

STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$-0-

STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$-0-

LOCATION (CAMPUS, CITY, COUNTY): St. Paul, MN

AGENCY PRIORITY (for projects in the 1996 session only):

4 of 4 requests

1. PROJECT DESCRIPTION:

MDA conducts statewide surveys to detect and assess the impact of pests on field crops, urban and rural vegetable gardens, and urban households. The department provides advice to both rural and urban consumers (directly and indirectly through the Extension Service, crop consultants, etc.) on all of the above with appropriate control recommendations, including when not to use chemical controls. For example, an army worm infestation in wheat and barley has only a 3-day window for control treatment. Creating alternatives to pesticides has been an important goal for the department in carrying out its sustainable agriculture and Integrated Pest Management (IPM) responsibilities.

Biological control has been a department program since 1986. Biological control provides tested natural agents to control pests. For example, the European corn borer is controlled by using an egg parasite (up to 75% control) and a stingless wasp can be used as a preemptive control for gypsy moth by establishing it in native pests such as tent caterpillars and tussock moths. In closed environments, such as homes and malls, the MDA has demonstrated that mites, mealy bugs and aphids can be controlled by predaceous mites and lady beetles. Chemical pesticide use therefore is limited or eliminated.

The MDA will build a greenhouse to produce biological control agents (insects/mites; parasites/predators). The proposed greenhouse site location is within 100 yards of the biological control laboratory located at 155 S. Wabasha Street. The land area is 38,000 sq. ft. for a purchase price of \$115

thousand. Greenhouse construction and equipment, including lights, wiring, controls, plumbing, tables, partitions, etc. will total \$180 thousand. The total project cost would be \$295 thousand.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

To fulfill the department's mission with the framework of Chapter 17 and other statutory responsibilities pertaining to environmental protection, the department has set a policy goal of "fostering land stewardship and environmental protection by encouraging sustainable agricultural production and development." The department, as the lead state agency for sustainable agriculture and IPM, is directed to develop plans and programs in these areas.

The department is developing long range plans for the use of IPM and sustainable agriculture on both public and private lands. The use of biological control agents in an integrated approach is seen as a major component of moving to the alternative pest control methods, which will be advocated in these plans. Widespread availability of biological control agents will be needed to implement both the urban and rural provisions of the plans.

The MDA's Biological Control Program needs to expand to address the following needs:

- Currently, mostly chemical pesticides are being used for household pest control. This use results in heavy urban pesticide contamination and can incur large clean up costs. The greenhouse will facilitate mass production of biological control agents such as predaceous mites, scale parasites, and Cryptolaemus lady beetle, in order to initiate household demonstration of their effectiveness. Twin cities metropolitan communities will be targeted. Homeowners will be provided information on propagation techniques of biological control agents. Also, private rearing facilities will receive the technology and be encouraged to supply the biocontrol demands of the metropolitan households.
- Field crop pest control. This project will focus on the biocontrol agents developed during the past 6 years (1988-94). MDA's biocontrol lab is now capable of mass producing egg, larval, and pupal parasites of the European

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-1

corn borer, egg parasite of the corn earworm, and 12-spotted lady beetle, a predator of the colorado potato beetle eggs.

The Biological Control Program (BCP), as part of an integrated pest management system, promotes and facilitates the use of biological control strategies through research, development of biocontrol agents, field testing and implementation applicable to both public and private sectors.

The BCP began in 1987-88 as a cooperative effort between the University of Minnesota and the MDA. The Minnesota legislature has funded the program with LCMR funds through June 1995. Starting in F.Y. 1996, general funds have been appropriated to continue the program.

A realization of the benefits of biological control and a transition toward the concept of sustainable biological control will greatly aid Minnesota agriculture. The MDA's Biological Control Program has proven its ability to research and implement biological control strategies and is accepted and respected as a leader in biological control.

3. IMPACT ON AGENCY OPERATING BUDGET (FACILITIES NOTE):

N/A

4. PREVIOUS PROJECT FUNDING:

The MDA has the option to rent the land in question for \$3,000 per month. This is not a viable option because of the expected length of the biological pest control projects.

5. OTHER CONSIDERATIONS (OPTIONAL):

None.

6. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Dr. Dharma Sreenivasam, Biological Control Program
90 W. Plato Blvd.
St. Paul, MN 55107, 296-1350

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-2

PROJECT TYPE (check all that apply):

- Renewal of existing facilities or assets (no program expansion).
- Adaption of an existing facility for code-required changes, handicapped access or legal liability purposes.
- Adaption of an existing facility for new, expanded or enhanced uses.
- Construction or acquisition of a new facility for new, expanded or enhanced programs or for replacement purposes.

PROJECT CHARACTERISTICS (check all that apply):

- Safety/liability
- Asset preservation
- Code compliance
- Handicapped access (ADA)
- Hazardous materials
- Enhancement of existing programs/services
- Expansion of existing programs/services
- New programs/services
- Co-location of facilities
- Operating cost reductions and efficiencies
- Other (specify):

INFORMATION TECHNOLOGY AND TELECOMMUTING:

Information technology plan:

submitted to IPO	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> N/A
approved by IPO	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> N/A

Telecommuting plan or statement of non-practicability:

submitted to IPO	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> N/A
approved by IPO	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> N/A

AGENCY BUILDING NAME AND #: N/A

STATE-WIDE BUILDING ID #: N/A

FACILITY SQUARE FOOTAGE: N/A

Existing Building

2,500 Gross Sq. Ft.

Project Scope

<u>N/A</u>	Gross Sq. Ft. Demolished
<u>N/A</u>	Gross Sq. Ft. Decommissioned
<u>N/A</u>	Gross Sq. Ft. Renewal or Adaption
<u>4,000</u>	Gross Sq. Ft. New Construction

Final Project Size

4,000 Gross Sq. Ft.

Are there any space utilization standards that apply to your agency and this project?

Yes No.

If so, please cite appropriate sources:

CHANGES IN STATE OPERATING COSTS (Facilities Note):

	F.Y. 1996-97	F.Y. 1998-99	F.Y. 2000-01
Change in Compensation	\$ <u>21</u>	\$ <u>-0-</u>	\$ <u>-0-</u>
Change in Bldg. Oper. Expenses	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>
Change in Lease Expenses	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>
Change in Other Expenses	\$ <u>15</u>	\$ <u>15</u>	\$ <u>15</u>
Total Change in Operating Costs* ..	<u>36</u>	<u>15</u>	<u>15</u>

Other:

Change in F.T.E. Personnel

0 0 0

* Costs absorbed by agency.

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-3

<u>TOTAL PROJECT COSTS (ALL YEARS/ALL FUNDING SOURCES):</u>	Project Costs (all prior years)	Project Costs (F.Y. 1996-97)	Project Costs (F.Y. 1998-99)	Project Costs (F.Y. 2000 and beyond)
1. Site and building preparation				
Site acquisition		\$ 100		
Existing building acquisition		\$ -0-		
Other acquisitions costs:				
Environmental studies		\$ -0-		
Geotechnical survey		\$ -0-		
Property survey		\$ -0-		
Historic Preservation		\$ -0-		
Other (specify) <u>site preparation</u>		\$ 15		
	1. Subtotal	\$ -0-	\$ 115	\$ -0-
	2. Subtotal*	\$ -0-	\$ -0-	\$ -0-
2. Predesign fees				
3. Design fees				
Schematic design		\$ -0-		
Design development		\$ -0-		
Contract documents		\$ -0-		
Construction		\$ -0-		
	3. Subtotal*	\$ -0-	\$ -0-	\$ -0-
4. Administrative costs and professional fees				
Project management by consultant		\$ -0-		
Construction management		\$ -0-		
Construction contingency		\$ -0-		
Other (specify)		\$ -0-		
	4. Subtotal	\$ -0-	\$ -0-	\$ -0-
5. Site and building construction				
On site construction		\$ 165		
Off site construction		\$ -0-		
Hazardous material abatement		\$ -0-		
Other (specify)		\$ -0-		
	5. Subtotal	\$ -0-	\$ 165	\$ -0-
	6. Subtotal	\$ -0-	\$ 15	\$ -0-
6. Furniture, Fixtures and Equipment				
7. Occupancy				
8. Percent for art				
	7. Subtotal	\$ -0-	\$ -0-	\$ -0-
	8. Subtotal	\$ -0-	\$ -0-	\$ -0-
	Total without inflation (1 through 8)	\$ -0-	\$ 295	\$ -0-
9. Inflation multiplier .010		9. Subtotal	\$ -0-	\$ 30
Mid-point of construction (mo./yr.) <u>07/97</u>				
	Total with inflation (1 through 9)	\$ -0-	\$ 325	\$ -0-
			TOTAL PROJECT COSTS (all capital costs, all years)	\$ 325

* Units are prefabricated. Installation is part of the purchase price.

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-4

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$	-0-
State funding received	\$	-0-
Federal funding received	\$	-0-
Local government funding received	\$	-0-
Private funding received	\$	-0-

For 1996 Session (F.Y. 1996-97)

State funding requested	\$	325
Federal funding	\$	-0-
Local government funding	\$	-0-
Private funding	\$	-0-

For 1998 Session (F.Y. 1998-99)

State Funding Estimate	\$	-0-
Federal funding	\$	-0-
Local government funding	\$	-0-
Private funding	\$	-0-

For 2000 Session (F.Y. 2000-01)

State Funding Estimate	\$	-0-
Federal funding	\$	-0-
Local government funding	\$	-0-
Private funding	\$	-0-

Total Project Costs (all years)	\$	325
State funding requested (all years)	\$	325
Federal funding (all years)	\$	-0-
Local government funding (all years)	\$	-0-
Private funding (all years)	\$	-0-

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ _____ Fund _____
 Bonds: \$ 325 Tax Exempt Taxable

STATE DEBT SERVICE PAYMENTS (Check all that apply):

General Fund % of total 100
 User Financing % of total _____
Source of funds _____

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-5

DEPARTMENT OF ADMINISTRATION ANALYSIS:

Projects of a utility nature have been determined to not require predesign. The Greenhouse for Rearing Biological Agents project covered by this request is not expected to present a predesign submittal but would require legislative review in accordance with M.S. 16B.335.

This request has been reviewed with an emphasis on cost planning, general scope of work, and schedule and is in general conformance with the capital budget requirements with the following observations:

1. Design fees, and administrative and professional fees were not included.
2. Construction cost of \$41 per square foot appears low for scope of work described. Historical costs for the functions described suggests a \$60 to \$80 per square foot range.

The agency is asked to review their project request in association with these comments and make appropriate amendments prior to legislative action on the bonding bill.

DEPARTMENT OF FINANCE ANALYSIS:

This request is the agency's fourth of four priorities and scored a total of 135 points. Although this project is eligible for bonding, this project may be too far down on the statewide priority list to be funded. If not funded, the agency may want to resubmit this request for funding from alternative sources; e.g., sources currently under the purview of the LCMR.

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend capital funds for this project.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	40
Safety Concerns	0/35/70/105	35
Customer Services/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75	25
User and Non-State Financing	0-100	0
Asset Management	0/20/40/60	0
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Esti	50/0	0
Total		135

	Schematic	Design	Const.		
	Predesign	Design	Devel.	Doc.	Const.
Prior Funding:	<input type="checkbox"/>				
Agency Request:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Governor's Recommendation:	<input type="checkbox"/>				

STATE OF MINNESOTA
FY 1996 - 2001
Capital Budget Requests

Governor's Recommendations
(By Agency & Scores)
(in \$000)

Project Description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				FY 96	FY 98	FY 00		FY 98	FY 00

Natural Resources

Dam Repair/Reconstruction/Removal	04	520	GO/LF	2,200	2,000	2,000	1,200	1,200	1,200
Statewide Asset Preservation - DNR	01	505	GO	7,000	7,000	7,800	2,000	2,000	2,000
State Park and Recreation Area Building	05	480	GO	4,006	3,000	3,000	1,500	1,500	1,500
State Park & Recreation Area Betterment	01	470	GO/GF	2,000	2,000	2,000	1,500	1,500	1,500
Trail Rehabilitation and Adaptation	03	470	GO/UF	500	1,000	1,000	500	500	500
Well Sealing & Inventory on DNR Land	02	465	GO/GF	700	900	0	500	500	500
Flood Hazard Mitigation Grants	05	420	GO/LF	3,960	4,000	4,000	2,500	2,500	2,500
Field Office Renovation	07	370	GO	1,000	2,541	5,915	0	0	0
Field Office Consolidation - New	03	360	GO	18,572	7,936	6,666	7,080	6,400	6,400
State Park & Recreation Area Building	06	350	GO	4,075	4,000	4,000	1,000	1,000	1,000
Forestry Roads & Bridges	06	350	GO	1,720	1,540	1,500	250	250	250

Funding Source

GO = General Obligation Bonds
GF = General Fund Direct Appropriation

THF = Trunk Highway Fund
UF = User Financing

FF = Federal Funding
LF = Local Funding

STATE OF MINNESOTA**FY 1996 - 2001****Capital Budget Requests****Governor's Recommendations****(By Agency & Scores)****(in \$000)**

Project Description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation FY 96	Governor's Planning Estimates	
				FY 96	FY 98	FY 00		FY 98	FY 00

Natural Resources

Forest Recreation Facility Rehabilitation	08	350	GO	510	500	500	400	400	400
RIM-Wildlife & Scientific & Nat Areas	10	330	GO	3,000	3,000	3,000	1,330	1,330	1,330
RIM Wildlife & Nat Area Land Acquisition	14	322	GO/UF/FF	6,000	6,000	6,000	2,400	2,400	2,400
St. Louis River Land Acquisition	13	318	GO/UF	2,200	0	0	2,200	0	0
Office Consolidation - Completions	02	310	GO	2,155	0	0	2,155	0	0
Water Access Rehabilitation	11	305	GO/LF/FF	1,000	1,000	1,000	500	500	500
Trail Acquisition Development & Betterment	16	305	GO	5,500	5,000	5,000	3,500	3,500	3,500
Fish & Wildlife Fish Culture Rehabilitation	07	300	GO	1,008	500	500	500	500	500
State Park & Recreation Area Acquisition	17	285	GO	4,000	4,000	4,000	0	0	0
Office Facility Consolidation - Predesign	04	265	GO	392	0	0	100	0	0
Metro Park Bldg Rehab & Development	05	265	GO/UF	783	4,503	696	0	0	0

Funding Source

GO = General Obligation Bonds

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STATE OF MINNESOTA**FY 1996 - 2001****Capital Budget Requests****Governor's Recommendations****(By Agency & Scores)****(in \$000)**

Project Description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				FY 96	FY 98	FY 00		FY 98	FY 00

Natural Resources

Water Access Acquisition & Betterment	12	265	GO/LF/FF	3,000	3,000	3,000	0	0	0
Metropolitan Regional Park Acquisition	02	265	GO/LF	2,444	2,907	2,925	0	0	0
Metro Park Non-Bldg Redevelopment	03	265	GO/LF	4,446	4,356	2,370	4,450	4,450	4,450
Metro Park Non-Bldg Development	04	265	GO/LF	7,870	6,795	8,999	0	0	0
RIM-Fish & Wildlife Fisheries Improvement	09	260	GO	505	500	500	500	500	500
RIM Fish & Wildlife Fisheries Acquisition	15	235	GO	3,000	500	500	500	500	500
State Forest Land Acquisition	18	220	GO	2,000	1,000	1,000	0	0	0
Lake Superior Harbors	19	205	GO	1,500	3,270	6,400	0	0	0
Local Recreation Grants	01	200	GO/LF	1,800	1,800	1,800	0	0	0
Statewide Storage Facilities	08	155	GO	1,017	850	850	0	0	0
Minnesota State Fairgrounds	20	105	GO/UF	60	0	0	0	0	0

Funding Source

GO = General Obligation Bonds
 GF = General Fund Direct Appropriation

THF = Trunk Highway Fund
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FF = Federal Funding
 LF = Local Funding

STATE OF MINNESOTA**FY 1996 - 2001****Capital Budget Requests****Governor's Recommendations****(By Agency & Scores)****(in \$000)**

Project Description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				FY 96	FY 98	FY 00	FY 96	FY 98	FY 00
Agency Totals				\$99,923	\$85,398	\$86,921	\$36,565	\$31,430	\$31,430

Funding Source

GO = General Obligation Bonds
 GF = General Fund Direct Appropriation

THF = Trunk Highway Fund
 UF = User Financing

FF = Federal Funding
 LF = Local Funding

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1. **AGENCY:** Natural Resources, Department of

2. **AGENCY MISSION STATEMENT:**

The mission of the Minnesota Department of Natural Resources (DNR) is to work with people to manage the state's diverse natural resources for a sustainable quality of life.

DNR is the major land management state agency, administering 94% of all state-owned land. This includes ownership of 12 million acres in mineral rights and 5.3 million acres of parks, wildlife areas, public water accesses, scientific and natural areas, state trails and state forests. These lands provide wildlife habitat and recreational opportunities and play an important role in supporting resource industries.

DNR also administers state-owned navigable waters and submerged land. The agency is also charged with maintaining surface water and ground water supplies that meet long-term requirements for basic use, environmental protection, and economic production.

Activities regulated by the department include hunting; trapping; fishing; boating; snowmobiling; wild rice gathering; mineral exploration, mining, and reclamation; dredging, filling, and draining protected waters and wetlands; constructing and maintaining dams; appropriating and using surface and groundwaters; establishing lake levels; developing shorelands, floodplains, and the shores of wild, scenic, and recreational rivers; permitting and licensing private game farms, fish hatcheries, roadside zoo operations, and open burning.

In addition, the agency creates safe opportunities to utilize resources to provide economic return. It also provides forest fire protection for private and public timber, as well as private property, in forested areas, encompassing 45 million acres. It develops and disseminates information on recreational travel and educational materials on natural resource subjects. It provides assistance to local governments, organizations, and individuals on natural resource matters such as forest and water resources management, wildlife habitat improvement, and trail development.

3. **TRENDS, POLICIES AND OTHER ISSUES AFFECTING THE DEMAND FOR SERVICES, FACILITIES OR CAPITAL PROGRAMS:**

Through its strategic planning process the Department identified significant factors and trends that affect the demand for DNR capital programs. These are summarized below.

Sustainable Development

Minnesota Milestones and Economic Blueprint for Minnesota states, "Minnesota will have sustained economic growth consistent with environmental protection." Unifying the goals of environmental protection and economic development is a significant state policy that has a profound influence on how natural resources are managed. Sustainability is the expected outcome of all resource management activities. This requires the DNR to protect and restore natural systems so that their resources can be used indefinitely. Sustainability requires DNR to reconcile human needs and demands with the capacity of ecosystems to meet those demands.

Ecosystem-Based Natural Resource Management

Ecosystem-based management is the collaborative process of sustaining the integrity of ecosystems through partnerships and interdisciplinary teamwork. This methodology focuses on 3 interacting dimensions: the economy, the social community, and the environment. The goal of ecosystem-based management is sustainability of ecological integrity while simultaneously meeting socioeconomic needs.

Population Growth and Urbanization

The majority of Minnesotans now live in urban or suburban areas. The effects of this trend are enormous. For example, the Twin Cities Metropolitan Area's second million people required three times the amount of land to live on than did the first million. Urban sprawl results in added pressure to sensitive natural areas. Pollution and development damage our ecological systems and deplete the state's biological diversity. Under particular threat are wetlands, bluffed lands and river corridors, forests, ad

AGENCY CAPITAL BUDGET BRIEF
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endangered species habitats.

The trend has many implications for capital programs. Acquisition, development, and rehabilitation support for Scientific and Natural Areas, prairie bank, and wildlife areas are high priorities for preserving biodiversity. Population growth brings increased demand for opportunities to use the state's recreation areas, which drives the need for acquiring recreation areas and developing facilities to meet this demand. Investment in state and locally administered recreation programs would help to relieve the congestion on already crowded recreation areas and vanishing urban open space, as well as provide improved access to outdoor recreation opportunities for all populations.

Recreation

Minnesota's population is aging, increasingly urbanized, and more ethnically diverse. More households have 2 working parents, plus there is a significant increase in single-parent families and varied family groupings. These factors are causing a shift in the agency's traditional programs and services, primarily to meeting demand for close-to-home recreation opportunities in the metropolitan areas of the state. Additional facilities are needed to meet growing demand for services, along with additional resources to maintain existing facilities and protect natural resources used for recreation.

1990 Americans With Disabilities Act

This legislation sets guidelines for accessibility to buildings and facilities by individuals with disabilities. These guidelines are to be applied to the design, construction, and alteration of buildings and facilities, which specifically requires the DNR to revise design and construction standards for new facilities, adapt programming and interpretive materials, and retrofit some existing facilities.

Public Participation in Government

Citizens expect improved service and accountability from government. Constituent groups want to be much more actively involved in agency planning and decision making. The DNR has actively sought to engage

private citizens and interest groups in partnerships that promise to further mutual goals. The department is continually challenged to create more ways for citizen involvement.

In order for the DNR to improve its public responsiveness it must invest in improving public access to agency employees. Through an aggressive service consolidation program the department would provide more effective service to constituents by enabling them to communicate with staff in one location. Office consolidations would also assist in building partnerships with other agencies and local communities by improving accessibility to DNR staff and information.

4. PROVIDE A SELF-ASSESSMENT OF THE CONDITION, SUITABILITY AND FUNCTIONALITY OF PRESENT FACILITIES, CAPITAL PROJECTS OR ASSETS:

Buildings

Space is the DNR's second most expensive resource, after its people. Buildings are a fundamental organizational tool to promote and support the kinds of teamwork and cross departmental and cross-discipline interaction which are critical to our long-term success. Furthermore, the state has a responsibility to provide workspace for its employees and recreational facilities for its customers that meet basic life-safety and accessibility standards and that are appropriate for the Department's programs.

It is our intention to develop facilities which enhance performance. Performance depends on the successful deployment of people, technology, time and space. Facilities enhance or hinder work performance based on facility condition, suitability and functionality.

The current condition, suitability and functionality of DNR facilities is poor.

It is common to find facilities which require significant repairs and major work to right violations of a variety of codes and standards. Day-to-day operations are hindered by inadequate facilities. Replacement, renovation and adaptation of facilities have gone unfunded. Increased demand for suitable facilities substantially exceeds available inventories.

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Major issues include overcrowded conditions, facility use at odds with design, inadequate basic building services and utilities needed to support operations. Some of the most pressing needs are summarized as follows;

- Aging facilities need extensive renovation to meet new requirements or to correct the effects of deferred maintenance.
- Historically significant structures require special handling to be maintained as a part of the human history of the state.
- Flexible, adaptable space is necessary to accommodate changes in departmental programs and operational structure.
- Facility acquisition, renovation, replacement or divestiture must accommodate the organizational vision while serving user requirements.
- Mandates for work place safety and accessibility must be fulfilled along with addressing issues affecting employee productivity.
- Rapid advances in technology have altered the work place. Planning is required for flexibility in organizational function and information transmission.
- Energy conservation requires new building designs, construction materials, and energy management systems.

The DNR has on inventory 1,963 active, full maintenance buildings ranging from vault toilets to complex office buildings housing over 100 people. These buildings are on inventory because each represents, on one hand, a significant part of DNR's investment in facilities and, on the other hand, a set of facility management issues including public access and maintenance obligations. Of these buildings covering 2.3 million gross square feet, more than a third are 50 years old or older. In other words, fully 38% of the physical plant is beyond its design life. Sixty-two percent of our facilities are more than thirty years old and have reached a point in their design lives when we must expect large expenditures on maintenance. 641 buildings have been built since 1975. Therefore only 21% of the department's buildings have been built using design constraints roughly equivalent to today's standards.

Currently, facility maintenance, repair, renovation, adaptation and replacement are either unfunded or under funded.

Detailed information on management costs for facilities such as those owned by the DNR is available through "The Building Owners and Managers Association (BOMA) Experience Exchange". BOMA information indicates that for the type of facilities we manage we should expect that our annual maintenance obligation is \$1.72 per gross square foot per year.

The DNR is interested in the creative reuse of existing facilities. The State and DNR must realize the best return on its significant investment in facilities. This suggests a need to plan for adaptation to new uses and standards. We need to plan and budget for custodial care, catastrophic losses, energy management, furnishings and the cost of divestiture. Available information indicates that owners of facilities of the type managed by the DNR experience costs of \$3.17, per square foot for these issues.

DNR funds maintenance, repair, custodial care, energy management, adaptation at about \$0.59 per square foot.

In short, we have accumulated a \$21.8 million iceberg of deferred maintenance and repair. The physical configuration of the Departments facilities and the organization have diverged so far that we suffer from a significant miss match between operational need and the physical support structure.

Non-buildings

The condition of the DNR's present non-building capital programs is summarized below, outlining the status of these programs and where investments need to be made to meet overall program goals.

State Parks: The state park system has a large backlog of rehabilitation projects including replacement of electrical, water and sewer systems; roof, window and weatherization repairs; accessibility improvements; and road and bridge repairs and replacements. There are also critical resource

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management projects involving pine and prairie restoration, erosion control reforestation, and trail rehabilitation that are necessary to maintain park natural resources for future generations. The goal of the State Park Acquisition program is to purchase all private lands within the legislatively authorized state park boundaries that are offered for sale by willing sellers over the next 10 years. There are 223,800 acres authorized within 65 state park and 3 state recreation area boundaries. Of these, 29,700 acres are still privately owned. Current needs for developing or rehabilitating state park facilities are represented in 1,080 identified projects.

State Trails: Acquisition and development for state trails is composed of the legislatively authorized state trail alignments as authorized in M.S. 85.015 or allowed in M.S. 84.029, Subd.2. Appropriation legislation often stipulates specific segments of the legislative authorized system for acquisition and development. The emphasis during the next several biennia will be on trails that are partially completed and rehabilitating the existing system.

Well Sealing: Landowners are required under state law to seal unused wells to prevent groundwater contamination and protect the public from possible physical hazards. M.S. 103I.311 specifically requires DNR to inventory and seal wells on state property. Preliminary data indicate that the Department may locate and need to properly seal approximately 1,000 additional wells.

Dam Safety: M.S. 103G.511 gives the commissioner of natural resources the responsibility for managing and maintaining publicly owned dams. There are 600 dams owned by the state, cities, counties and watershed districts, the majority of which are more than 50 years old. \$1 million per year is needed for the state matching program to local governments for emergency repairs and to meet ongoing dam maintenance requirements.

Flood Damage: The Flood Plain Management Act established zoning ordinances to require protection for new homes and businesses from 100 year floods. Over 17,000 homes and businesses were built before the floodplain zoning regulations were in place. Before the mid-1970s most bridges, culverts, and storm water systems were not designed to handle 100 year floods. The Flood Hazard Mitigation Grant Assistance Program was established to provide cost-share grants to local governments to

prevent or alleviate future flood damages. \$30 million will be needed for new flood control initiatives over the next 15 years.

State Forest Recreation: The Division of Forestry administers a system of 46 campgrounds, 44 day-use areas, 900 miles of trails, 142 water accesses, 2,064 miles of forest roads, and approximately 60 bridges. There is an ongoing need for funds to rehabilitate campground and toilet facilities, repair trails, and close (and replace) over-used campground loops to prevent resource degradation. Furthermore, the road system requires periodic resurfacing and bridge repair to prevent more costly reconstruction expenses. For the R.J. Dorer Memorial Hardwood Forest, all but 38,000 acres of the 83,150 within the forest have been acquired. Goals for forests other than the Dorer is approximately 750 acres per year.

Fish Habitat: To ensure sufficient fish to meet the needs of anglers, over the next 10 years improvement is needed for 21 fish hatcheries statewide and an average of 6 miles per year of stream trout habitat, and acquisition of 10 miles per year of stream easements is needed. Presently 205 miles have been protected through acquisition of easements.

Wildlife Habitat: Acquisition is to protect critical sites for wildlife and native plants with primary emphasis on completing existing management units. Enhancement is used to develop and improve wildlife habitat and recreational facilities on State Wildlife Management Areas, State Forests, and other state lands to provide improved quality recreational experiences to the citizens of Minnesota. To date 738,500 acres of wildlife management area lands have been acquired toward meeting the goal of one million acres by the year 2000. Development on 640 sites is necessary to provide improved recreational use, and 16,300 acres are identified for habitat development and improvement.

Scientific and Natural Areas: Presently, 103 areas have been designated on existing public lands or acquired through purchase, gift, or free leases. These areas protect "elements" of natural diversity such as rare and endangered plant and animal species, undisturbed plant communities, geological features, and other natural resources. To adequately protect Minnesota's critical resource "elements" the SNA long range plan calls for protection of five sites for plant communities and three sites for rare species in each landscape region of the state. Development of SNA sites

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is necessary to adequately protect acquired sites and the rare resources found on them.

Prairie Bank: The Native Prairie Bank Program authorized the DNR to protect native prairie by entering into conservation easements with landowners. The program goal is to protect and maintain 150,000 acres of native prairie statewide by preventing the further loss of native prairie to other land use. The long range goal is to protect 75,000 acres on private lands. The projected need is to protect 20,000 acres over the next 10 years.

Water Access: Minnesota ranks third in the nation in boat registrations and is first in the nation in the number of boats per capita. To meet the continuing demand for accesses, the DNR proposes to acquire and construct nearly 75 boat accesses and rehabilitate approximately 10 boat accesses. A second priority for water access is fishing piers and shore fishing sites. Over the next 6 years, 120 new fishing piers and shore fishing sites are proposed primarily in more urban-like areas throughout the state.

Local Recreation Grants: In F.Y. 1994 the DNR assumed direct responsibility for the Local Recreation Grants Program. Over the past 28 years this program has provided matching grants to local governments to acquire and develop public outdoor recreation areas and facilities. Grant requests from local governments averaged more than \$10 million annually since 1985.

Metropolitan Council Regional Recreation Open Space System Capital Investment Program: The DNR serves as the administering agency for funds requested in this program. Appropriations would pass through the DNR to the Metropolitan Council to help meet unfunded regional park acquisition, development, and rehabilitation capital costs. Specific projects are identified and approved through the Metropolitan Council Regional Park Capital Improvement Plan.

Natural Resources Park - Minnesota State Fairgrounds: To develop a backyard landscaping exhibit to demonstrate how homeowners can design and develop their yards and building sites in a manner that will provide critical habitats for a wide variety of birds, mammals and reptiles.

5. DESCRIBE THE AGENCY'S LONG-RANGE STRATEGIC GOALS AND CAPITAL BUDGET PLAN:

The Department of Natural Resources initiated its strategic planning process in 1984. DNR's strategic plan report, *Directions for Natural Resources 1995*, outlines the major goals and strategies for achieving its mission and provides the framework for guiding budget investment decisions.

The strategic goals for the Department of Natural Resources are:

Resource Management Goal: To maintain, enhance, or restore ecosystems to assure ecological integrity while providing for sustainable use of natural resources for social and economic purposes.

Human Resource Goal: to enhance the ability of the department to meet its resource management goal through a commitment to and respect for a skilled, diverse, motivated, and dynamic work force.

Internal Communication Goal: To ensure the timely, accurate, relevant, and unobstructed flow in information within the department in all directions.

External Communication Goal: To create opportunities that engage citizens in productive dialogue on natural resource issues and department initiatives, and to promote and acknowledge customer and stake holder input. To maintain the department's commitment to providing citizens with natural resource information and information regarding the department's goals and strategies.

Finance Goal: To develop DNR fiscal and budgetary policies and processes that enable the department to achieve its resource management goal.

Operations Support Goal: To ensure efficient and effective delivery of services in support of the DNR's resource management goal.

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Strategic Planning Summary (Cont'd.)
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CAPITAL BUDGET PLAN

In 1991 the department enhanced its strategic planning process by initiating a complementary long range capital improvement planning process. The purpose of this process is to identify the magnitude of departmental capital improvement needs and how addressing them would contribute toward fulfilling the strategic plan goals. In order to build a broad-based capital improvement plan, the DNR developed a project-by-project data base. Field Managers, who are close to the needs of the public and the resource, identify capital improvement needs and the benefit or outcome each project will contribute to fulfilling the DNR strategic plan goals. The capital improvement planning process is outlined in Section 6.

Each of the strategic goals in *Directions* include strategies, or approaches to pursue to fulfill our mission. The Capital Budget Plan identifies the *Directions* strategies where capital investment can contribute to achieving our goals. The plan then identifies priority actions for the capital budget and associated projects for achieving priorities.

RESOURCE MANAGEMENT:

Strategy: Concentrate efforts on ecosystems of special value or concern, or experiencing the greatest pressure from human activity.

Capital Budget Priority: Protect significant natural resources through acquisition and improvement of existing holdings.

Projects: St. Louis River Land Acquisition, RIM Wildlife and Natural Area Land Acquisition, RIM Wildlife and Scientific and Natural Area Development/Habitat Improvement, Fisheries Acquisition, Fisheries Improvement.

Strategy: Implement ecosystem-based approaches that integrate ecological, social, cultural, and economic values into natural resource management.

Capital Budget Priority: Acquire inholdings within existing management units.

Projects: State Park and Recreation Area Acquisition, State Forest Land Acquisition.

Strategy: Build upon traditional natural resource management to provide products, services, and benefits consistent with a commitment to ecosystem-based management.

Capital Budget Priority: Address the demand for opportunities for outdoor recreation.

Projects: Fish and Wildlife Fish Culture Rehabilitation, State Park and Recreation Area Building Development, Trail Rehabilitation and Adaption, Forestry Roads and Bridges, Forest Recreation Facility Rehabilitation, Trail Acquisition Development and Betterment, Water Access Acquisition and Betterment, Water Access Rehabilitation, Local Recreation Grants.

Capital Budget Priority: Address public safety needs.

Projects: Well Sealing and Inventory on DNR Land, Dam Repair/Reconstruction/Removal, Flood Hazard Mitigation Grants, Lake Superior Harbors, State Park and Recreation Area Betterment Rehabilitation.

HUMAN RESOURCES

Strategy: Create innovative initiatives designed to promote wellness and assure a safe and physically and mentally healthy work environment.

Capital Budget Priority: Provide adequate working space for employees.

Projects: Office Consolidation Completions, Field Office Consolidation-New Construction, Predesign for Future Office Facilities, Field Office Renovation.

COMMUNICATION

Strategy: Provide support and direction in environmental education to

AGENCY CAPITAL BUDGET BRIEF
Strategic Planning Summary (Cont'd.)
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ensure a coordinated approach to the development and implementation of these efforts within the DNR.

Capital Budget Priority: Provide opportunities for citizens to obtain natural resource information.

Project: Renovate the DNR's Natural Resources Park - Minnesota State Fair Grounds.

OPERATIONS SUPPORT

Strategy: Continue to pursue improvement opportunities to ensure efficiency and effectiveness of support operations.

Capital Budget Priority: Reduce deferred maintenance and move toward asset management.

Projects: Statewide Assets Preservation, State Park and Recreation Area Building Rehabilitation, Statewide Storage Facilities.

The Capital Budget planning process also assesses the outcomes and benefits the public would receive from investments in priority action areas. For example, by investing in projects that consolidate DNR offices and promote asset preservation the public would benefit from improved access to facilities and from improved employee effectiveness in service delivery. By investing in projects that protect significant natural resources the public would benefit from reduced water contamination and healthier natural systems that support fish, wildlife, and vegetation. Capital improvement projects that provide recreation opportunities would address the public demand for safe access to the state's lakes, rivers, and natural areas to pursue traditional and emerging recreation activities. All of the capital improvement projects are organized under 33 capital improvement programs. The relationship of these programs to the Capital Budget Priorities and Outcomes/Benefits is illustrated in Attachment 1.

While the DNR fulfills primarily an administrative role in the Local Recreation Grants program, projects funded to meet local outdoor recreation demands would also further the department's long-range strategic goals. The Local Recreation Grants Program and its relationship

to the DNR Capital Budget Plan is included in Attachment 1 under Non-Buildings. Projects funded for the Metropolitan Council Regional Recreation Open Space System are approved based on their contribution to the Metropolitan Council's *Recreation Open Space Development Guide/Policy Plan*. This relationship is explained in the Capital Budget Request Project Detail, form F-1.

6. AGENCY PROCESS USED TO ARRIVE AT THESE CAPITAL REQUESTS:

The Department has taken a number of steps to improve its capital budget planning and implementation processes since the 1994 session. A capital budget coordination group was established to manage all aspects of DNR's capital improvements; membership consists of representatives of Financial Management, Planning, Field Services, Engineering, and the Commissioner's Office. This group has met bi-weekly since the last capital budget session to monitor implementation of current projects and to plan and design this capital request process. We have also met periodically with a larger group of capital budget program managers from the various disciplines to monitor progress and share information.

During this interim period, a Department-wide database was developed on the Department's mini computer. All units used this database to record cost, priority and other data supporting the capital requests. The Bureau of Engineering has reviewed and approved all building cost data for these requests.

A major focus of this request is field office consolidation. The Department undertook a thorough review of our area office alignment during the summer and fall of 1994. Field managers in each region were interviewed regarding locational needs and each regional management team collaboratively agreed on the office facility location priorities within each region, and the regional administrators and field operations manager agreed on a statewide priority list, which in turn was reviewed and approved by the Department's Senior Managers' Council. This list was the starting place for major pre-design work performed over the last 6-9 months, including a series of contacts with other state, local, and federal environment and natural resource agencies to determine their interest in co-location.

During the past year, the Department completed a major revision of its

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Strategic Planning Summary (Cont'd.)
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strategic plan. The strategic plan describes the fundamentals of ecosystem-based management. Section 5 describes how the Department's managers view their capital programs contributing to ecological integrity while providing for sustainable use of natural resources for social and economic purposes.

The Department's senior managers also factored the state's 6 year planning process into our strategic capital budget planning. Last winter we reviewed the 1994 capital appropriations and the Governor's original 6 year planning estimates and constructed a series of internal targets for each Department capital program. The purpose of these targets is to recognize the importance of the state's long-term capital planning and to instill some internal discipline in our process. The targets were not mechanistically applied; however, significant deviations required special justification and Senior Managers' Council approval.

7. AGENCY CAPITAL BUDGET PROJECTS DURING THE LAST SIX YEARS (1990-1995):

During the past 6 years, funding for capital projects has been appropriated in the following categories:

- Forest Roads Improvement
- State Forest Acquisition
- State Parks Betterment and Acquisition
- State Trails Acquisition and Betterment
- Fisheries Acquisition and Fish Hatchery Improvement
- Scientific and Natural Areas Acquisition and Improvement
- Wildlife Acquisition
- Water Access Acquisition and Improvement
- Dam Repair and Reconstruction
- Flood Hazards/Damage
- Well Sealing
- Reinvest in Minnesota
- Interpretive and Educational Facilities (ELC Grants)
- Local Recreation Grants
- Department Buildings
- Underground Storage Tank Removal and Replacement
- Statewide Deferred Renewal

Metropolitan Council Regional Parks

The 1994 appropriations were targeted to resource acquisition and improvement, resolving or addressing health and safety issues such as well sealing statewide, underground storage tank removal and replacement, dam improvements, flood hazard mitigation, etc. Also, the Department received an appropriation for pass-through funds to the Metropolitan Council's Regional Recreation Open Space System. Matching funds for grants to local units of government for recreation and environmental learning centers were authorized during the 1994 legislative session.

See Attachment 2

8. OTHER (OPTIONAL):

9. AGENCY CONTACT PERSON, TITLE, AND PHONE

John Heintz, Financial Management Administrator, (612) 296-2188

Attachment 1
Department of Natural Resources
Capital Budget Plan Priorities

Project Emphasis:  First
 Second
 Third

Attachment 1
Department of Natural Resources
Capital Budget Plan Priorities

Capital Investment	Outcomes / Benefits										Obtain Natural Resource Information	Public Safety	Adequate Workspace/Asset Mgmt.							
	Protect wetlands	Maintain biodiversity	Control harmful exotic plants & animals	Maintain forest diversity	Reduce contaminants	Prevent contamination of groundwater	Protect water quality	Protect fish & wildlife habitat	Protect significant natural areas	Protect and enhance forests	Promote tourism	Provide urban fishing	Develop recreational trails	Improve fish & wildlife habitat	Acquire recreation land	Provide new forms of recreation	Add and Improve access to lakes & rivers	Provide interpretive programs	Reduce flood damage	Aid public safety	Rehabilitate blids, dams, and other facets
NON-BUILDINGS																				
State Park Better Rehab																				
Well Seal/Inv DNR Land																				
Trail Rehab & Adaptation																				
Dam Repair/Recon/Rern																				
Flood Haz. Mitig. Grants																				
Forestry Roads & Bridge																				
F&W Fish Culture Rehab																				
Forestry Recreation																				
RIM F&W Fisheries Imp.																				
RIM-Prairie Bank Dev																				
Habitat Imp																				
Water Access Rehab																				
Water Access Acq/Better																				
St. Louis River Land Acq																				
RIM-Wildlife & Natural Area Land Acq.																				
RIM-F&W Fisheries Acq																				
Trail Acq, Dev & Better																				
State Park Acquisition																				
State Forest Land Acq																				
Lk Superior Safe Harbors																				
NR Park Ren.-MN State Fairgrounds																				
Local Recreation Grants																				

**Project
Emphasis:**

- First
- Second
- Third

ATTACHMENT 2
Department of Natural Resources
Capital Budget FY 1996-2001
Summary of Agency Capital Projects During The Last Six Years
(FY 1990-1995)

— Budget Section —	Land Acquisition & Improvements												— Dams —	— Flood Grt —	— RIM —	— Interp Grts —	— Facilities —
	Imp Forest Roads	Acq St Forest	Better St Parks	Acq St Parks	Acq/Better St Trails	Fisheries Acq	Fish Hatch Improve	Acq/Imp SNA's	Acq Wild/ Wat Bank	Acq/Imp Wat Acc	Well Sealing	Dam Repair & Reconst	Flood Haz/ Damage	RIM	Interp/ Educ Facil	Buildings	Total
Laws '89, Chap 300						1,200,000			600,000				1,032,000	3,500,000		525,000 (1)	6,857,000
Laws '90, Chap 610	500,000	3,000,000			3,500,000				1,200,000	700,000		300,000	3,200,000	3,000,000	1,300,000 (2)	1,000,000 (3)	17,700,000
Laws '91, Chap 254	145,000	3,400,000			1,000,000									3,000,000			7,545,000
Laws '92, Chap 558	385,000	2,751,000	600,000	1,000,000		1,250,000	100,000			250,000		1,570,000	500,000	1,250,000		2,026,000 (4)	11,682,000
Laws '93, Chap 373	60,000								90,000			450,000	200,000				800,000
Laws '94, Chap 643	300,000	250,000	4,250,000	2,000,000	6,128,000					3,750,000	500,000	4,100,000	2,600,000	6,000,000	23,990,000 (5)	5,049,000 (6)	58,917,000
Laws '95, 1SS Chap 2					1,500,000							200,000					1,700,000
	300,000	1,340,000	13,401,000	2,600,000	12,828,000	1,500,000	1,250,000	100,000	1,890,000	4,450,000	750,000	6,620,000	7,532,000	16,750,000	25,290,000	8,600,000	105,201,000

(1) \$ 525,000 - Construct Hazardous Chemical Storage Buildings

(5) \$10,000,000 - Metropolitan Council Regional Parks

11,500,000 - Environmental Learning Centers Grants

1,740,000 - Local Recreation Grants and White Oak Fur Post Grant

750,000 - International Wolf Center Expansion

(2) \$1,200,000 - Phase 1 Construction International Wolf Center (Grant Payment)
100,000 - Lac Qui Parle Visitor's Center (Planning & Working Drawings)

(3) \$1,000,000 - Consolidate and Renovate Field Offices Statewide

(6) \$ 1,400,000 - Statewide Deferred Renewal

1,000,000 - Underground Fuel Tank Replacement

650,000 - Hibbing Drill Core Library and Reclamation Demonstration Facility

368,000 - Forestry Air Tanker Facilities

500,000 - Forest Recreation Facilities

631,000 - Farmland Wildlife Populations and Research Center

500,000 - Lac qui Parle Improvements

(4) \$1,731,000 - Field Offices Consolidation
295,000 - Underground Fuel Tank Replacement

AGENCY CAPITAL BUDGET BRIEF
Projects Summary
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form B

AGENCY: Natural Resources, Department of

Project Title	1996 Agency Priority Ranking	Agency Project Requests for State Funds (\$ by Session)				Statewide Strategic Score	Governor's Rec's. 1996	Governor's Planning Estimates	
		1996	1998	2000	Agency Total			1998	2000
Statewide Asset Preservation	B01	7,000	7,000	7,800	21,800	505	2,000	2,000	2,000
Office Consolidation - Completions	B02	2,155	-0-	-0-	2,155	310	2,155	-0-	-0-
Field Office Consolidation - New Construction	B03	18,572	7,936	6,666	33,174	360	7,080	6,400	6,400
Office Facility Consolidation - Predesign	B04	392	-0-	-0-	392	265	100	-0-	-0-
State Park and Recreation Area Building Rehabilitation	B05	4,006	3,000	3,000	10,006	480	1,500	1,500	1,500
State Park and Recreation Area Building Development	B06	4,075	4,000	4,000	12,075	350	1,000	1,000	1,000
Field Office Renovation	B07	1,000	2,541	5,915	9,456	370	-0-	-0-	-0-
Statewide Storage Facilities	B08	1,017	850	850	2,717	155	-0-	-0-	-0-
State Park and Recreation Area Betterment Rehabilitation	NB01	2,000	2,000	2,000	6,000	470	1,500	1,500	1,500
Well Sealing and Inventory on DNR Land	NB02	700	900	-0-	1,600	465	500	500	500
Trail Rehabilitation and Adaption	NB03	500	1,000	1,000	2,500	470	500	500	500
Dam Repair/Reconstruction/Removal	NB04	2,200	2,000	2,000	6,200	520	1,200	1,200	1,200
Flood Hazard Mitigation Grants	NB05	3,960	4,000	4,000	11,960	420	2,500	2,500	2,500
Forestry Roads and Bridges	NB06	1,720	1,540	1,500	4,760	350	250	250	250
Fish and Wildlife Fish Culture Rehabilitation	NB07	1,008	500	500	2,008	300	500	500	500
Forest Recreation Facility Rehabilitation	NB08	510	500	500	1,510	350	400	400	400
RIM-Fish and Wildlife Fisheries Improvement	NB09	505	500	500	1,505	260	500	500	500
RIM-Wildlife and Scientific and Natural Areas Development/Habitat Improvement	NB10	3,000	3,000	3,000	9,000	330	1,330	1,330	1,330
Total Project Requests:		\$	\$	\$	\$		\$	\$	\$

AGENCY CAPITAL BUDGET BRIEF
Projects Summary (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form B

AGENCY: Natural Resources, Department of

Project Title	1996 Agency Priority Ranking	Agency Project Requests for State Funds (\$ by Session)				Statewide Strategic Score	Governor's Rec's 1996	Governor's Planning Estimates	
		1996	1998	2000	Agency Total			1998	2000
Water Access Rehabilitation	NB11	1,000	1,000	1,000	3,000	305	500	500	500
Water Access Acquisition and Betterment	NB12	3,000	3,000	3,000	9,000	265	-0-	-0-	-0-
St. Louis River Land Acquisition	NB13	2,200	-0-	-0-	2,200	318	2,200	-0-	-0-
RIM-Wildlife and Natural Area Land Acquisition (Wildlife Management Areas, Scientific and Natural Areas, Prairie Bank Easements, N.A. Waterfowl Management Plan, Critical Habitat Match)	NB14	6,000	6,000	6,000	18,000	322	2,400	2,400	2,400
RIM-Fish and Wildlife Fisheries Acquisition	NB15	3,000	500	500	4,000	235	500	500	500
Trail Acquisition, Development and Betterment	NB16	5,500	5,000	5,000	15,500	305	3,500	3,500	3,500
State Park and Recreation Area Acquisition	NB17	4,000	4,000	4,000	12,000	285	-0-	-0-	-0-
State Forest Land Acquisition	NB18	2,000	1,000	1,000	4,000	220	-0-	-0-	-0-
Lake Superior Harbors	NB19	1,500	3,270	6,400	11,170	205	-0-	-0-	-0-
Natural Resources Park - MN State Fairgrounds	NB20	60	-0-	-0-	60	105	-0-	-0-	-0-
Local Recreation Grants	G01	1,800	1,800	1,800	5,400	200	-0-	-0-	-0-
Metropolitan Regional Park Acquisition	G02	2,444	2,907	2,925	8,276	265	-0-	-0-	-0-
Metropolitan Regional Park Non-building Redevelopment	G03	4,446	4,356	2,370	11,172	265	4,450	4,450	4,450
Metropolitan Regional Park Non-building Development	G04	7,870	6,795	8,999	23,664	265	-0-	-0-	-0-
Metropolitan Regional Park Building Rehabilitation and Development	G05	783	4,503	696	5,982	265	-0-	-0-	-0-
Total Project Requests:		\$ 99,923	\$ 85,398	\$ 86,921	\$ 272,242		\$36,565	\$31,430	\$31,430

AGENCY CAPITAL BUDGET BRIEF
Facilities Summary
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form C

AGENCY: Natural Resources, Department of

Agency Facility Information	F.Y. 1993 (Actual)	F.Y. 1994 (Actual)	F.Y. 1995 (Actual)	F.Y. 1996-97 (Estimated)	1996 Session (Requested)
Gross Square Footage of State Owned Buildings (in 000s)	2,422	2,300	2,230	2,330	2,531
Leased Square Footage (in 000s)	227	235	243	220	220

Agency Operating Budgets	F.Y. 1993 (Actual)	F.Y. 1994 (Actual)	F.Y. 1995 (Budgeted)	F.Y. 1996 (Budgeted)	F.Y. 1997 (Budgeted)
Operating Repair and Betterment Account(s)	\$ 300	\$ 150	\$ 400	\$ 400	\$ 400
Operating Maintenance Account(s)	\$ 1,098	\$ 1,519	\$ 1,158	\$ 1,150	\$ 1,150
Lease Payments	\$ 2,026	\$ 2,345	\$ 2,469	\$ 2,427	\$ 2,475

Agency Capital Budgets	F.Y. 1990-91	F.Y. 1992-93	F.Y. 1994-95
Agency CAPRA Allocations (from Dept. of Admin.)	\$ 578	\$ 868	\$ 1,140
HEAPRA Allocations (for higher education systems only)	\$	\$	\$

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-1

AGENCY: Natural Resources, Department of (DNR)
PROJECT TITLE: Statewide Asset Preservation

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$7,000
STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$7,000
STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$7,800
LOCATION (CAMPUS, CITY, COUNTY): Statewide

AGENCY PRIORITY (for projects in the 1996 session only):

B01 of 8 requests

1. PROJECT DESCRIPTION:

DNR has identified a total of \$21.8 million in deferred asset preservation projects for statewide facilities. This request will provide for all aspects of asset preservation, including roof repair, plumbing and heating, electrical repair and renovation, energy efficiency improvements and structural renovations.

The Administration's position is that DNR needs a significant allocation of capital funds each biennium to attack the backlog of deferred asset preservation projects. This allocation is separate from and not included in the Department of Administration's Capital Asset Preservation and Replacement Account (CAPRA) request.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

DNR Directions Goal: To enhance the ability of the DNR to meet its resource management goal through a commitment to and respect for a skilled, diverse, motivated, and dynamic workforce.

DNR Directions Goal: To ensure efficient and effective delivery of operations support services in support of the DNR's resource management goal.

DNR Directions Strategy: Create innovative initiatives designed to promote wellness and assure a safe and physically and mentally healthy work environment.

DNR Directions Strategy: Continue to pursue improvement opportunities to ensure efficiency and effectiveness of support operations.

Under maintained, poorly lit, shoddy facilities are uninviting to a public agency's customers at a time when DNR needs to reach out even more to our customers, interacting with them on a daily basis at all levels of the organization to effectively implement ecosystem-based management.

Under investment in maintenance and rehabilitation also hinders the useability of our facilities by the public and our employees, and may even create safety hazards.

Our facilities suffer from a wide range of code violations. We have non-compliant sanitary and plumbing systems, substandard electrical and lighting services, inadequate heating, ventilation and air-conditioning in employee work spaces, and occupancy of unsuitable office and work spaces.

The DNR continues to invest in human resources by supporting a trained, equipped, productive and culturally diverse work force. Maintenance and rehabilitation of facilities to allow full access and function for our work force and customers will significantly enhance the delivery of resource management services.

The agency hopes to fund deferred renewal to prevent further deterioration of our investment in facilities. It is consistent with the DNR's goals to rehabilitate and maintain facilities to enhance employee efficiency, continue to make a wide range of facilities available for public use, and to ensure the efficient and effective operation of our facilities.

The DNR's long range strategic plan is to establish a level of maintenance that fully protects the state's investment in facilities. Funding for deferred asset preservation will address the backlog of maintenance work that has gone undone due to inadequate funding. Facility condition significantly contributes to or detracts from the DNR's ability to manage the state's natural resources. Poor lighting, ventilation and inadequate utility services often hinder the day-to-day effort to manage the state's resources. It is in the state's best interest to maintain facilities in the best possible condition to enhance employee productivity, to protect the long term investment in buildings and to better serve the public.

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-1

The Department's asset preservation effort is under funded. The agency has accumulated a \$21.8 million "iceberg" of deferred asset preservation projects. On an annual basis, DNR is funded in the operating budget at approximately \$1.5 million for maintenance, repair and betterment activities. At a minimal level of \$1.72 per gross square foot, DNR should be spending slightly more than \$4 million annually for asset preservation on our 2.3 million square feet of space. Since operating budgets are stagnant or decreasing, this capital request is critically needed on an ongoing basis to reduce the backlog and begin to address our annual asset preservation needs.

3. IMPACT ON AGENCY OPERATING BUDGET (FACILITIES NOTE):

Funding this request will only begin to address the backlog of deferred asset preservation projects. It will not result in any reduction to our annual operating budget. Installation of more efficient building systems and enhancing the energy conservation characteristics of buildings will net operating savings. Better meeting our annual maintenance, repair, and betterment obligations will result in lower future obligations for more costly repairs and replacements.

4. PREVIOUS PROJECT FUNDING:

During the 1994 Capital Budget session the Department received an appropriation from Chapter 643 of \$1.4 million, which was distributed proportionately to the regions based on the square footage of buildings. The funds have been concentrated on specific repair and maintenance work and the initial appropriation is nearly spent.

5. OTHER CONSIDERATIONS (OPTIONAL):

This request is specifically focused on doing repair and renovation work which is normal within the expected life of the original building. None of the projects proposed will substantially increase the life of the building as may be expected with many rehabilitation projects.

6. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Mark Wallace, Facility Manager, Bureau of Field Services, (612) 282-2505

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-2

PROJECT TYPE (check all that apply):

- Renewal of existing facilities or assets (no program expansion).
- Adaption of an existing facility for code-required changes, handicapped access or legal liability purposes.
- Adaption of an existing facility for new, expanded or enhanced uses.
- Construction or acquisition of a new facility for new, expanded or enhanced programs or for replacement purposes.

PROJECT CHARACTERISTICS (check all that apply):

- Safety/liability
- Asset preservation
- Code compliance
- Handicapped access (ADA)
- Hazardous materials
- Enhancement of existing programs/services
- Expansion of existing programs/services
- New programs/services
- Co-location of facilities
- Operating cost reductions and efficiencies
- Other (specify):

INFORMATION TECHNOLOGY AND TELECOMMUTING:

Information technology plan:

submitted to IPO	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> N/A
approved by IPO	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> N/A

Telecommuting plan or statement of non-practicability:

submitted to IPO	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> N/A
approved by IPO	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> N/A

AGENCY BUILDING NAME AND #: DNR CAPRA

STATE-WIDE BUILDING ID #: These funds will affect many buildings.

FACILITY SQUARE FOOTAGE:

Existing Building

2,303,248 Gross Sq. Ft.

Project Scope

<u>0</u>	Gross Sq. Ft. Demolished
<u>0</u>	Gross Sq. Ft. Decommissioned
<u>1,700,000</u>	Gross Sq. Ft. Renewal or Adaption
<u>0</u>	Gross Sq. Ft. New Construction

Final Project Size

1,700,000 Gross Sq. Ft.

Are there any space utilization standards that apply to your agency and this project?

Yes No.

If so, please cite appropriate sources: The DNR has established Space Allocation Guidelines. While this project will principally focus on fixing deferred repair and maintenance issues, we will use a facilities relative compliance with the space guidelines as an element to help prioritize the work.

CHANGES IN STATE OPERATING COSTS (Facilities Note):

	F.Y. 1996-97	F.Y. 1998-99	F.Y. 2000-01
Change in Compensation	<u>\$ 300</u>	<u>\$ 300</u>	<u>\$ 300</u>
Change in Bldg. Oper. Expenses	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Change in Lease Expenses	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Change in Other Expenses	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Total Change in Operating Costs . . .	<u>\$ 300</u>	<u>\$ 300</u>	<u>\$ 300</u>
Other:			
Change in F.T.E. Personnel	<u>3</u>	<u>3</u>	<u>3</u>

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-3

<u>TOTAL PROJECT COSTS (ALL YEARS/ALL FUNDING SOURCES):</u>	Project Costs (all prior years)	Project Costs (F.Y. 1996-97)	Project Costs (F.Y. 1998-99)	Project Costs (F.Y. 2000 and beyond)
1. Site and building preparation				
Site acquisition		\$ -0-		
Existing building acquisition		\$ -0-		
Other acquisitions costs:				
Environmental studies		\$ -0-		
Geotechnical survey		\$ -0-		
Property survey		\$ -0-		
Historic Preservation		\$ -0-		
Other (specify) _____		\$ -0-		
	1. Subtotal	\$ -0-	\$ -0-	\$ -0-
2. Predesign fees	2. Subtotal	\$ -0-	\$ -0-	\$ -0-
3. Design fees				
Schematic design		\$ -0-		
Design development		\$ -0-		
Contract documents		\$ 100		
Construction		\$ 300		
	3. Subtotal	\$ -0-	\$ 400	\$ 500
4. Administrative costs and professional fees				
Project management by consultant		\$ -0-		
Construction management		\$ -0-		
Construction contingency		\$ -0-		
Other (specify) _____		\$ -0-		
	4. Subtotal	\$ -0-	\$ -0-	\$ -0-
5. Site and building construction				
On site construction		\$ 6,100		
Off site construction		\$ -0-		
Hazardous material abatement		\$ 500		
Other (specify) _____		\$ -0-		
	5. Subtotal	\$ 1,400	\$ 6,600	\$ 7,300
6. Furniture, Fixtures and Equipment	6. Subtotal	\$ -0-	\$ -0-	\$ -0-
7. Occupancy	7. Subtotal	\$ -0-	\$ -0-	\$ -0-
8. Percent for art	8. Subtotal	\$ -0-	\$ -0-	\$ -0-
	Total without inflation (1 through 8)	\$ 1,400	\$ 7,000	\$ 7,800
9. Inflation multiplier _____	9. Subtotal	\$ -0-	\$ -0-	\$ -0-
Mid-point of construction (mo./yr.) _____	Total with inflation (1 through 9)	\$ 1,400	\$ 7,000	\$ 7,800

TOTAL PROJECT COSTS (all capital costs, all years) \$ 23,200

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-4

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ 1,400
State funding received bonding	\$ 1,400
Federal funding received	\$ -0-
Local government funding received	\$ -0-
Private funding received	\$ -0-

For 1996 Session (F.Y. 1996-97)

State funding requested	\$ 7,000
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-

For 1998 Session (F.Y. 1998-99)

State Funding Estimate	\$ 7,000
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-

For 2000 Session (F.Y. 2000-01)

State Funding Estimate	\$ 7,800
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-

Total Project Costs (all years)	\$ 23,200
State funding requested (all years)	\$ 23,200
Federal funding (all years)	\$ -0-
Local government funding (all years)	\$ -0-
Private funding (all years)	\$ -0-

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ _____ Fund _____
 Bonds: \$ 7,000 Tax Exempt Taxable

STATE DEBT SERVICE PAYMENTS (Check all that apply):

General Fund % of total 100
 User Financing % of total _____
Source of funds _____

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-5

DEPARTMENT OF ADMINISTRATION ANALYSIS:

Natural Resources has defined the scope of deferred maintenance and asset preservation by identifying projects totalling \$21.8 million. A long-range plan to address the issue has also been developed.

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

GOVERNOR'S RECOMMENDATION:

The Governor recommends general obligation bonding of \$2 million for this project. Also included are budget planning estimates of \$2 million in 1998 and \$2 million in 2000.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	120
Safety Concerns	0/35/70/105	70
Customer Services/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	0
Asset Management	0/20/40/60	60
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	50
Total		505

	Predesign	Schematic	Design	Devel.	Const. Doc.	Const.
Prior Funding:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Agency Request:	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Governor's Recommendation:	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-1

AGENCY: Natural Resources, Department of
PROJECT TITLE: Office Consolidation - Completions

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$2,155

STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$-0-

STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$-0-

LOCATION (CAMPUS, CITY, COUNTY): Detroit Lakes, Aitkin, Cambridge, Two Harbors

AGENCY PRIORITY (for projects in the 1996 session only):

B02 of 8 requests

1. PROJECT DESCRIPTION:

The Department of Natural Resources requests \$2.155 million to complete design and construction of the service facilities for the consolidated offices at Detroit Lakes, Aitkin, Cambridge, and Two Harbors.

Two previous appropriations totaling \$2.731 million were used for construction of office facilities to address substandard working conditions for our employees at these sites. To get our employees out of these extremely poor conditions, we focused the limited resources on office space.

These facilities still lack the service structures necessary to support operations. The requested appropriation will enable the DNR to construct heated and unheated storage facilities, resource work areas, equipment maintenance space, paving, curbs and gutters, security fencing, reconfiguration of utility services, and landscaping. Lack of appropriate paving, driveways, walkways, site lighting, resource work areas and equipment handling areas is unsafe and hinders operations.

Detroit Lakes

The new Area office building, constructed in 1992, has helped alleviate some consolidation requirements, but landscape, parking and storage remain inadequate. Addition of these components will complete construction of the

consolidated headquarters. Completion will include replacement of 16 buildings (20,019 sq. ft.), with 6 new buildings (16,200 sq. ft.), site work, landscaping, and fenced security area. Buildings to be replaced are in poor condition and some are located 14 miles from the office .

The Detroit Lakes Area Office was solely a Fisheries station from 1912 through 1978. Consolidation began in 1978 with the addition of an Area Hydrologist from Waters, and continued with the addition of 3 staff from Wildlife in 1982 and 3 staff from Forestry in 1985. Currently the Area office contains 26 permanent staff and approximately 10 seasonal and 5 MCC personnel.

No additional equipment and vehicle storage buildings or workshop space have been added to the original set of Fisheries buildings with this consolidation. The existing storage buildings cannot accommodate equipment and vehicles for all divisions. Wildlife equipment has remained at Hubble Pond Wildlife Management Area, 14 miles northeast of Detroit Lakes. When work is scheduled in western Becker, Mahnomen or Norman Counties, staff must travel 28 miles to pick up equipment before they go to the work site.

We are requesting \$1.055 million to complete this consolidated office site.

Aitkin

Complete construction of unheated storage, asphalt paving, fencing and landscaping at the Aitkin Consolidated Headquarters.

We are requesting \$432 thousand to complete this consolidated office site.

Cambridge

Complete construction of the bituminous paving and vehicle maneuvering areas. Installation of security lighting and electrical service at the Cambridge Consolidated Headquarters.

We are requesting \$115 thousand to complete this consolidated office site.

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-1

Two Harbors

Facilities at Two Harbors are partially completed. Additional funding is required to complete the equipment maintenance building, construct unheated storage, install security fencing, and complete landscaping.

Eight DNR Units, the U.S. Army Corps of Engineers, the Highway Patrol, and the Lake County Soil and Water Conservation District, which were housed in 8 different locations, moved into this facility during the summer and fall of 1995. Minnesota Conservation Corps (MCC) and Department of Corrections Sentence-to-Serve (STS) crews will also be based at this facility.

Natural resource management, recreational trail development, water access work, and Lake Superior habitat coordination will all be managed at this facility.

We are requesting \$553 thousand to complete this consolidation work.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

DNR Directions Goal: To enhance the ability of the DNR to meet its resource management goal through a commitment to and respect for a skilled, diverse, motivated, and dynamic workforce.

DNR Directions Goal: To ensure efficient and effective delivery of operations support services in support of the DNR's resource management goal.

DNR Directions Strategy: Create innovative initiatives designed to promote wellness and assure a safe and physically and mentally healthy work environment.

DNR Directions Strategy: Continue to pursue improvement opportunities to ensure efficiency and effectiveness of support operations.

Facilities that are poorly lit, poorly landscaped, and with inadequate paved parking access areas are unsafe and uninviting to a public agency's customers at a time when DNR needs to reach out even more to our customers,

interacting with them in a daily bases at all levels of the organization in order to effectively implement ecosystem-based management.

The DNR continues to invest in human resources by supporting a trained, equipped, productive and culturally diverse work force. Maintenance and rehabilitation of facilities to allow full access and functionality for our work force will significantly enhance our work in resource management. It is the DNR's position that facility condition significantly contributes to or detracts from our ability to manage the state's natural resources. Proper configuration of space, upgraded lighting and electrical systems, and an infrastructure which creates links to statewide information technologies will significantly enhance our ability to do work in resource management.

NEEDS AND PLANNING

The Department of Natural Resources has completed an organizational evaluation which began in July of 1992. The specific goal of the evaluation was to recommend how the DNR might realign its physical and operational organization to improve management of the state's natural resources, improve customer access and service, reduce long term operating expenses and improve integration and teamwork among the DNR disciplines. A number of recommendations resulted, many concerning work in consolidated office settings.

The central recommendation is to construct new facilities to accommodate realignment. It has been the Department's experience that resource professionals addressing disparate management tasks, are better able to share information, resources and energy when in the same facility. The specific recommendation was to build consolidated offices to house DNR's resource management staff located in common areas. The requested appropriation would enable completion of additional collocated facilities, moving us closer to our goal.

In the fall of 1994 the results of the evaluation and recommendations were forwarded to the DNR Senior Managers' Council and the Commissioners' Office. The list of recommended consolidation sites has been prioritized by local teams consisting of staff from Regional Management, user groups and support services. These local teams used the Department's Space Allocation

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Guidelines in conjunction with onsite staffing and operations patterns to quantify facility needs for each recommended consolidation.

3. IMPACT ON AGENCY OPERATING BUDGET (FACILITIES NOTE):

This request will affect operating budgets in several ways:

- Improved office facilities will enhance effectiveness and efficiency. New construction methods and materials will provide conveniently configured facilities which will in turn enhance productivity. Increased productivity will increase DNR's effectiveness without increasing resource management funding.
- There will be some relief in the backlog of maintenance work owed to older structures, nearly all work will replace older existing structures. This will enhance operating efficiency and enable a refocusing of repair and maintenance budgets.
- Future maintenance costs will be reduced due to the application of new construction methods and low-maintenance materials.
- The overall project will result in no net increase in office facilities. There will be an increase in service structures and additional infrastructure and a corresponding increase in maintenance and repair obligations.

4. PREVIOUS PROJECT FUNDING:

The funding provided to date for these projects is as follows:

M.L. 1990, Ch. 610, Sec. 20 for \$1.0 million was used to build Detroit Lakes and Cambridge.

M.L. 1992, Ch. 558, Sec. 18 for \$1.731 million was used to build Two Harbors and Aitkin.

5. OTHER CONSIDERATIONS (OPTIONAL):

None.

6. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Mark Wallace, Facility Manager, (612) 282-2505

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PROJECT TYPE (check all that apply):

Renewal of existing facilities or assets (no program expansion).
 Adaption of an existing facility for code-required changes, handicapped access or legal liability purposes.
 Adaption of an existing facility for new, expanded or enhanced uses.
 Construction or acquisition of a new facility for new, expanded or enhanced programs or for replacement purposes.

PROJECT CHARACTERISTICS (check all that apply):

Safety/liability
 Asset preservation
 Code compliance
 Handicapped access (ADA)
 Hazardous materials
 Enhancement of existing programs/services
 Expansion of existing programs/services
 New programs/services
 Co-location of facilities
 Operating cost reductions and efficiencies
 Other (specify): Operational effectiveness and efficiency.

INFORMATION TECHNOLOGY AND TELECOMMUTING:

Information technology plan:

submitted to IPO	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> N/A
approved by IPO	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> N/A

Telecommuting plan or statement of non-practicability:

submitted to IPO	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> N/A
approved by IPO	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> N/A

AGENCY BUILDING NAME AND #: Detroit Lakes Area Headquarters, Aitkin Area Headquarters, Cambridge Area Headquarters, Two Harbors Area Headquarters.

STATE-WIDE BUILDING ID #:

FACILITY SQUARE FOOTAGE:

Existing Building

9,700 Gross Sq. Ft.

Project Scope

<u>20,019</u>	Gross Sq. Ft. Demolished
<u>0</u>	Gross Sq. Ft. Decommissioned
<u>0</u>	Gross Sq. Ft. Renewal or Adaption
<u>29,824</u>	Gross Sq. Ft. New Construction

Final Project Size

12,681 Gross Sq. Ft.

Are there any space utilization standards that apply to your agency and this project?

Yes No.

If so, please cite appropriate sources: The DNR has established Space Allocation Guidelines. While this project will principally focus on fixing deferred repair and maintenance issues, as well as accessibility and renovation, we will use a facilities relative compliance with the space guidelines as an element to help prioritize the work.

CHANGES IN STATE OPERATING COSTS (Facilities Note):

	F.Y. 1996-97	F.Y. 1998-99	F.Y. 2000-01
Change in Compensation	\$ <u>122</u>	\$ <u>124</u>	\$ <u>125</u>
Change in Bldg. Oper. Expenses	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
Change in Lease Expenses	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
Change in Other Expenses	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
Total Change in Operating Costs	\$ <u>122</u>	\$ <u>124</u>	\$ <u>125</u>

Change in F.T.E. Personnel	<u>4</u>	<u>4</u>	<u>4</u>
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AGENCY CAPITAL BUDGET REQUEST
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<u>TOTAL PROJECT COSTS (ALL YEARS/ALL FUNDING SOURCES):</u>		Project Costs (all prior years)	Project Costs (F.Y. 1996-97)	Project Costs (F.Y. 1998-99)	Project Costs (F.Y. 2000 and beyond)
1.	Site and building preparation				
	Site acquisition		\$ -0-		
	Existing building acquisition		\$ -0-		
	Other acquisitions costs:				
	Environmental studies		\$ 10		
	Geotechnical survey		\$ 8		
	Property survey		\$ 5		
	Historic Preservation		\$ -0-		
	Other (specify) _____		\$ -0-		
		1. Subtotal	\$ -0-	\$ 23	\$ -0-
		2. Subtotal	\$ -0-	\$ -0-	\$ -0-
2.	Predesign fees				
3.	Design fees				
	Schematic design		\$ 11		
	Design development		\$ 27		
	Contract documents		\$ 49		
	Construction		\$ 22		
		3. Subtotal	\$ -0-	\$ 109	\$ -0-
4.	Administrative costs and professional fees				
	Project management by consultant		\$ 60		
	Construction management		\$ -0-		
	Construction contingency		\$ 159		
	Other (specify) <u>Interagency Fees</u>		\$ 6		
		4. Subtotal	\$ -0-	\$ 225	\$ -0-
5.	Site and building construction				
	On site construction		\$ 1,588		
	Off site construction		\$ -0-		
	Hazardous material abatement		\$ -0-		
	Other (specify) <u>Data/Communications</u>		\$ 13		
		5. Subtotal	\$ 2,731	\$ 1,601	\$ -0-
6.	Furniture, Fixtures and Equipment				
7.	Occupancy				
8.	Percent for art				
		6. Subtotal	\$ -0-	\$ -0-	\$ -0-
		7. Subtotal	\$ -0-	\$ 3	\$ -0-
		8. Subtotal	\$ -0-	\$ 7	\$ -0-
		Total without inflation (1 through 8)	\$ 2,731	\$ 1,968	\$ -0-
9.	Inflation multiplier _____				
	Mid-point of construction (mo./yr.) _____				
		9. Subtotal	\$ -0-	\$ 187	\$ -0-
		Total with inflation (1 through 9)	\$ 2,731	\$ 2,155	\$ -0-

TOTAL PROJECT COSTS (all capital costs, all years) \$ 4,886

AGENCY CAPITAL BUDGET REQUEST
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Form D-4

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ 2,731
State funding received	\$ 2,731
Federal funding received	\$ -0-
Local government funding received	\$ -0-
Private funding received	\$ -0-

For 1996 Session (F.Y. 1996-97)

State funding requested	\$ 2,155
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-

For 1998 Session (F.Y. 1998-99)

State Funding Estimate	\$ -0-
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-

For 2000 Session (F.Y. 2000-01)

State Funding Estimate	\$ -0-
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-

Total Project Costs (all years)	\$ 4,886
State funding requested (all years)	\$ 4,886
Federal funding (all years)	\$ -0-
Local government funding (all years)	\$ -0-
Private funding (all years)	\$ -0-

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ _____ Fund _____
 Bonds: \$ 2,155 Tax Exempt Taxable

STATE DEBT SERVICE PAYMENTS (Check all that apply):

General Fund % of total 100
 User Financing % of total _____
Source of funds _____

AGENCY CAPITAL BUDGET REQUEST
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Form D-5

DEPARTMENT OF ADMINISTRATION ANALYSIS:

Predesign is not required for this project because the project had proceeded beyond the predesign stage when the requirement was enacted. The Field Office Consolidation Completions project covered by this request is not expected to present a predesign submittal but would require legislative review in accordance with M.S. 16B.335.

This request has been reviewed with an emphasis on cost planning, general scope of work, and schedule and is in general conformance with the capital budget requirements with the following observations:

1. Construction contingency (10%) is above the 2%-3% guidelines.
2. FFE costs were not indicated in the request.

The agency is asked to review their project request in association with these comments and make appropriate amendments prior to legislative action on the bonding bill.

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

GOVERNOR'S RECOMMENDATION:

The Governor recommends general obligation bonding of \$2.155 million for this project.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	120
Safety Concerns	0/35/70/105	0
Customer Services/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	0
Asset Management	0/20/40/60	20
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	0
Total		310

	Predesign	Schematic Design	Design Devel.	Const. Doc.	Const.
Prior Funding:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Agency Request:	<input checked="" type="checkbox"/>				
Governor's Recommendation:	<input checked="" type="checkbox"/>				

AGENCY CAPITAL BUDGET REQUEST

Building Project Detail

Capital Budget Year 1996

Project Cost Components	Detroit Lakes #1	Aitkin #2	Cambridge #3	Two Harbors #4	Totals
1. Site and building preparation					
Site acquisition	0	0	0	0	0
Existing building acquisition	0	0	0	0	0
Other acquisition costs:					
Environmental studies	10,000	0	0	0	10,000
Geotechnical survey	7,500	0	0	0	7,500
Property survey	5,000	0	0	0	5,000
1. Subtotal	22,500	0	0	0	22,500
2. Predesign fees	2. Subtotal	0	0	0	0
3. Design fees					
Schematic design	5,600	1,700	1,500	2,135	10,935
Design Development	14,000	4,251	3,750	5,336	27,337
Contract documents	25,200	7,651	6,750	9,605	49,206
Construction	11,200	3,401	3,000	4,269	21,870
3. Subtotal	56,000	17,003	15,000	21,345	109,348
4. Administrative costs and professional fees					
Project management by consultant	35,000	10,000	0	15,000	60,000
Construction management					
Construction contingency	73,500	34,060	8,500	42,690	158,750
Other (Specify): Interagency Fees	2,800	1,700	0	1,700	6,200
4. Subtotal	111,300	45,760	8,500	59,390	224,950
5. Site and building construction					
On site construction	735,000	340,600	85,000	426,900	1,587,500
Off site construction	0	0	0	0	0
Hazard material abatement	0	0	0	0	0
Other (Specify): Data/Communications	13,500	0	0	0	13,500
5. Subtotal	748,500	340,600	85,000	426,900	1,601,000
6. Furniture, Fixtures and Equipment	6. Subtotal	0	0	0	0
7. Occupancy	7. Subtotal	0	0	2,500	2,500
8. Percent for art	8. Subtotal	7,485	0	0	7,485
9. Inflation multiplier					
Mid-point of construction (mo./yr.)	10/97	1/97	10/96	4/97	
Multiplier	0.115	0.072	0.060	0.085	
9. Subtotal	108,765	29,042	6,510	43,361	187,678
Total with inflation	1,054,550	432,405	115,010	553,496	2,155,461

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail
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Form D-1

AGENCY: Natural Resources, Department of (DNR)
PROJECT TITLE: Field Office Consolidations - New Construction

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$18,572
STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$7,936
STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$6,666

LOCATION (CAMPUS, CITY, COUNTY): Statewide

AGENCY PRIORITY (for projects in the 1996 session only):

B03 of 8 requests

1. PROJECT DESCRIPTION:

Summary

DNR requests \$18.572 million the first biennium to construct consolidated field operations facilities at Grand Marais, International Falls, Warroad, Windom, Bemidji, Southwest Metro, and Fergus Falls. Funding received for this project would be used to acquire land, design, and construct facilities to accommodate the colocation of resource management services into consolidated offices. In some cases this would entail remodeling or additions to existing offices, and in others new construction would be required.

Field Office Consolidation - General Background:

The department has sought to consolidate its office facilities for several years. DNR staff currently work out of over 300 separate locations statewide, ranging from single-employee sites to consolidated area and regional offices housing dozens of employees. This request is to construct consolidated area offices at 7 sites housing between 12 and 48 employees, along with storage, vehicle, and equipment service facilities.

DNR area offices must serve a number of purposes:

- distributing public information on natural and recreational resource.
- issuing permits for timber harvest, burning, work in public waters, etc.
- providing technical information to resource business persons such as loggers, commercial fishing operations, trappers, etc.

- providing technical information to private landowners on wildlife habitat improvement and forest management.
- housing specialized equipment and personnel in strategic locations for wildfire protection, trail maintenance, fisheries, and wildlife management projects.

Locating DNR staff together allows the disciplines to share resources, equipment, and people. Furthermore, colocation helps foster the idea-sharing and collaboration that is critical to successful ecosystem-based natural resource management.

Asset Management

DNR facilities statewide are in very poor condition. Buildings housing DNR staff are typically old, in very poor condition, energy inefficient and overcrowded. In many cases the office and work space was not designed for human habitation (i.e. garages converted to office space). Employees must often perform laboratory work in basements or garage space, where the utilities are inadequate for the level of occupancy and the work that needs to be done. Most DNR facilities statewide do not meet ADA standards.

At each location described in this request, DNR will replace facilities that currently have a variety of life-safety code violations, including inadequate windows and exits, ventilation, water supply, electrical wiring, and heating, ventilation, and air conditioning (HVAC).

Colocation

At each location in this request, a team of agency staff contacted federal, state, and local government agencies operating in the same geographic areas to identify possible opportunities to collocate. The agency paid particular attention to other natural resource management agencies, and will continue to explore these possibilities. Where appropriate, funding requests will include space in these facilities for agencies interested in colocation.

AGENCY CAPITAL BUDGET REQUEST
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Specific sites:

GRAND MARAIS: Acquire land; design and construct office and service facilities in Grand Marais.

At present, the office building at Grand Marais is too small to accommodate the full complement of staff. Crowded conditions result in the use of heated vehicle storage as office, lab space and necropsy lab. The present building fails to meet many building codes and current ADA standards. The use of space not designed for the occupancy is unsafe. Utility services including electrical, sanitary, and fuels are overloaded.

The DNR's Divisions of Forestry, Fish and Wildlife including Fisheries Research and the Department of Corrections' Sentence to Service Program are currently located at the existing site. The Divisions of Trails and Waterways and Enforcement staff would be added.

The department anticipates that office space is needed for up to 23 full time positions. Additionally, there are up to 8 part time or seasonal positions needing work space during the year. Part time and seasonal employees are on duty concurrently, adding to space needs.

We are requesting \$1.973 million to complete this project.

INTERNATIONAL FALLS: Design and construct a new office and service facilities on the present site in International Falls.

The existing office building is too small to accommodate current staff. When seasonal staff are added, the result is extreme overcrowding. To accommodate current staff the Department has converted heated vehicle storage into office space. Another small (two room) office has been moved in and tacked onto the existing structure. The present building has been converted and remodeled several times and still fails to meet many building codes and current ADA standards. The use of space not designed for the occupancy is unsafe. Utility services including electrical, sanitary, and fuels are overloaded.

The DNR's Divisions of Forestry, Fish and Wildlife are currently located at the site. The Divisions of Enforcement and Waters staff would be added.

Office space is needed for 15.0 full time personnel and 6.0 seasonal personnel.

We are requesting \$1.668 million to complete this project.

WARROAD: Acquire land and improvements, design and construct new office and service facilities on a parcel located in Warroad.

The existing site is too small to expand our facilities where up to 15 people are housed in a 936 sq.ft. building. Because the site is located between Lake of the Woods and a busy railroad track, the Division of Forestry's fire response is often paralyzed.

Existing facilities are cumbersome, inefficient, in poor condition and mismatched with surrounding facilities and use. Public access is extremely limited. The facilities are old and crudely adapted for our current use. There are code violations for our occupancy and use. The facilities are over crowded and they are not ADA accessible. The space was not designed for the current occupancy and the demands placed on its service utilities -- electric, gas, sewer and water -- are potentially unsafe.

A new Warroad facility to consolidate Warroad and Clear River operations would accommodate all area Forestry personnel as well as support for 2.0 Enforcement officers. This would eliminate 9 obsolete structures and replace them with 4 efficient, well placed structures.

We are requesting \$1.587 million to complete this project.

WINDOM: Acquire land, design and construct office and service facilities in Windom.

This project would consist of the design and construction of a new facility to house 12 staff from the Divisions of Waters, Fish and Wildlife, Forestry, Trails and Waterways, and the U.S. Fish and Wildlife Service. The DNR proposes building this new facility on a 40 acre parcel in the Windom area. The preferred site is located adjacent to the U.S. Fish and Wildlife Waterfowl Production Area near the city. Windom, lying near the Minnesota River watershed, the Heron Lakes wetland restoration area, and the Iowa Great Lakes, is an ideal location for a co-located facility.

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Staff from 3 DNR disciplines, and a Minnesota Conservation Corps (MCC) crew are currently colocated at an existing facility in Windom. The extreme overcrowding at the current facility hinders efficient office work and restricts interaction with the public. It does not meet ADA standards. These facilities are not designed for the way we are using them. There are code violations for our occupancy and use. The use of space not designed for occupancy is unsafe. Utility services including electrical, sanitary and fuels are overloaded. The water supply is inadequate and undrinkable due to poor quality and a shallow well. In addition, the existing site is located adjacent to, and frequently downwind of a meat packing plant. The odor is overpowering and is not conducive to productive work or pleasant customer visits.

Agencies contacted regarding their interest in colocation include: the US Department of Agriculture, the Cottonwood Soil and Water Conservation District, the US Fish and Wildlife Service and Mn/DOT. At this time Mn/DOT has sufficient building and storage space and is not interested in colocation.

We are requesting \$1.852 million to complete this project.

BEMIDJI: Acquire land, design and construct facilities for Area headquarters in Bemidji.

DNR Area staff in the Bemidji Area are scattered over six locations. This project would accommodate the colocation of all area DNR staff and the Board of Water and Soil Resources (BWSR). Existing facilities are a mixture of 19 DNR owned and leased buildings. These colocated facilities would house 48.0 employees (40.0 DNR and 8.0 BWSR) and accommodate the storage and resource work areas necessary for area operations.

The DNR anticipates a reduction of its building complement in Bemidji by 10. With this plan, Guthrie and Cass Lake Forestry stations would also consolidate with Bemidji, eliminating an additional 6 buildings.

In Bemidji, the Minnesota Department of Transportation (Mn/DOT) is planning to build new facilities. Both DNR and Mn/DOT would benefit with a collocated site. DNR staff in the Bemidji area are evaluating whether or not the Mn/DOT site makes sense for a DNR facility in terms of location and space adequacy.

This project would consolidate Guthrie, Cass Lake, and Bemidji Forestry, Bemidji Fisheries, Wildlife, Wildlife Research, and Trails and Waterways on a single site. It would also consolidate all regional personnel at the existing DNR region site. A total of 16 buildings and 3 sites would be eliminated.

We are requesting \$4.569 million to complete this project.

SOUTHWEST METRO AREA OFFICE: Design and construct office and service facilities in the southwest of the metropolitan area.

DNR requires an area headquarters facility in the southwest metro area to consolidate operations for the divisions of Trails and Waterways, Forestry, Wildlife, Enforcement, Waters, and the section of fisheries. This project would relocate area level resource management personnel currently housed at the regional headquarters and in leased office space in Shakopee.

This location also allows increased interaction with local units of government such as cities, counties, soil and water conservation districts (SWCD) and watershed districts.

We are requesting \$3.751 million to complete this project.

FERGUS FALLS: To design and construct office and service facilities for the consolidated Area Headquarters in Fergus Falls.

The DNR is currently leasing office and storage space for its entire operation in Fergus Falls. New construction would include office space, storage and secure fenced area. This consolidation would include Waters, Trails, Fisheries, Wildlife, Enforcement, MCC and Ecological Services, all located on state owned property west of Fergus Falls and adjacent to the industrial park.

DNR services in the Fergus Falls area have continued to expand. It is now a site with 24 personnel and very diverse services. Fisheries, Fisheries Research, Wildlife, Waters, Trails and Waterways, Ecological Services and Enforcement are leasing office space, which is inadequate with minimal storage space. This leased office is in a poor location that provides minimum public exposure/customer services. The proposed new site is adjacent to the industrial park, on state property. It would be large enough to consolidate all employees and operations with easy access to the public.

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We are requesting \$3.172 million to complete this project.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

DNR Directions Goal: To enhance the ability of the DNR to meet its resource management goal through a commitment to and respect for a skilled, diverse, motivated, and dynamic workforce.

DNR Directions Goal: To ensure efficient and effective delivery of operations support services in support of the DNR's resource management goal.

DNR Directions Strategy: Create innovative initiatives designed to promote wellness and assure a safe and physically and mentally healthy work environment.

DNR Directions Strategy: Continue to pursue improvement opportunities to ensure efficiency and effectiveness of support operations.

The DNR continues to invest in human resources by supporting a trained, equipped, productive and culturally diverse work force. Maintenance and rehabilitation of facilities to allow full access and function for our work force would significantly enhance our work in resource management. It is the DNR's position that facility condition significantly contributes to or detracts from our ability to manage the state's natural resources. Proper configuration of space, upgraded lighting and electrical systems, and infrastructure which creates links to statewide information technologies would significantly enhance our ability to carry out resource management. It is therefore in the state's best interest to maintain facilities in the best possible condition.

The department continually searches for opportunities to provide better service and improve its stewardship of the resources it manages. Office consolidation is one of the tools used to accomplish those objectives. It is not a new concept for the department, which has experienced a long history of consolidation. This is the fourth in a series of state-wide requests which began in 1990 and was revised for the 1992 and 1994 sessions. The Department has identified for colocation sites where there is a need to provide ongoing service to the public.

Bringing DNR employees together to improve customer service and resource

management and to optimize facility operating expenditures is critical to integrated resource management efforts.

NEEDS AND PLANNING

DNR has completed an organizational evaluation which began in July of 1992. The specific goal of the evaluation was to recommend how the DNR might realign its physical and operational organization to improve management of the State's natural resources, improve customer access and service, reduce long term operating expenses and improve integration and teamwork among the DNR disciplines. A number of recommendations resulted, many concerning work in consolidated office settings.

The central recommendation is to construct new facilities to accommodate realignment. It has been the Department's experience that resource professionals addressing disparate management tasks, are better able to share information, resources and energy when in the same facility. The specific recommendation was to build consolidated offices to house DNR's resource management staff located in common areas. The requested appropriation would enable completion of additional collocated facilities, moving us closer to our goal.

In the fall of 1994 the results of the evaluation and recommendations were forwarded to the DNR Senior Managers' Council and the Commissioners' Office. The list of recommended consolidation sites has been prioritized by local teams consisting of staff from regional management, user groups and support services. These local teams used the Department's Space Allocation Guidelines in conjunction with onsite staffing and operations patterns to quantify facility needs for each recommended consolidation.

3. IMPACT ON AGENCY OPERATING BUDGET (FACILITIES NOTE):

This project would result in a net increase in office and service facilities, with an increased facility operation and maintenance obligation. Modernized facilities and systems would ensure, however, that the department would get more for its maintenance dollar than previously realized.

Increases in costs would be offset by increases in efficiency and effectiveness due to properly configured facilities. There are costs of ownership and depreciation which largely take the form of maintenance, repair and adaptation

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of facilities as use changes.

4. PREVIOUS PROJECT FUNDING:

The department has received 2 previous appropriations for "Field Office Consolidations-New Construction."

M.L. 1990, Ch 610, Sec 20 for \$1.0 million was used to build Detroit Lakes and Cambridge.

M.L. 1992, Ch 558, Sec 18 for \$1.731 million was used to build Two Harbors and Aitkin.

5. OTHER CONSIDERATIONS (OPTIONAL):

None.

6. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Mark Wallace, Facility Manager, (612) 282-2505

AGENCY CAPITAL BUDGET REQUEST
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Form D-2

PROJECT TYPE (check all that apply):

- Renewal of existing facilities or assets (no program expansion).
- Adaption of an existing facility for code-required changes, handicapped access or legal liability purposes.
- Adaption of an existing facility for new, expanded or enhanced uses.
- Construction or acquisition of a new facility for new, expanded or enhanced programs or for replacement purposes.

PROJECT CHARACTERISTICS (check all that apply):

- Safety/liability
- Asset preservation
- Code compliance
- Handicapped access (ADA)
- Hazardous materials
- Enhancement of existing programs/services
- Expansion of existing programs/services
- New programs/services
- Co-location of facilities
- Operating cost reductions and efficiencies
- Other (specify):

INFORMATION TECHNOLOGY AND TELECOMMUTING:

Information technology plan:

submitted to IPO	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> N/A
approved by IPO	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> N/A

Telecommuting plan or statement of non-practicability:

submitted to IPO	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> N/A
approved by IPO	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> N/A

AGENCY BUILDING NAME AND #: Consolidated Office and Service Facilities at Grand Marais, International Falls, Bemidji, Southwest Metro.

STATE-WIDE BUILDING ID #: N/A

FACILITY SQUARE FOOTAGE:

Existing Building

22,518 Gross Sq. Ft.

Project Scope

<u>9,590</u>	Gross Sq. Ft. Demolished
<u>9,928</u>	Gross Sq. Ft. Decommissioned
<u>126,961</u>	Gross Sq. Ft. Renewal or Adaption
<u>139,889</u>	Gross Sq. Ft. New Construction

Final Project Size

139,889 Gross Sq. Ft.

Are there any space utilization standards that apply to your agency and this project?

Yes No.

If so, please cite appropriate sources: The DNR has established Space Allocation Guidelines. We use the guidelines to help determine the allowable space for a proposal and to determine where special concerns may merit an additional allowance. We also use the guidelines to determine a facilities relative condition and thereby to help us determine priorities.

CHANGES IN STATE OPERATING COSTS (Facilities Note):

	F.Y. 1996-97	F.Y. 1998-99	F.Y. 2000-01
Change in Compensation	\$ 116	\$ 218	\$ 222
Change in Bldg. Oper. Expenses	\$ 85	\$ 159	\$ 163
Change in Lease Expenses	\$ -0-	\$ (86)	\$ (86)
Change in Other Expenses	\$ 125	\$ 71	\$ 71
Total Change in Operating Costs	<u>\$ 326</u>	<u>\$ 362</u>	<u>\$ 370</u>

Other:

Change in F.T.E. Personnel

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-3

<u>TOTAL PROJECT COSTS (ALL YEARS/ALL FUNDING SOURCES):</u>		Project Costs (all prior years)	Project Costs (F.Y. 1996-97)	Project Costs (F.Y. 1998-99)	Project Costs (F.Y. 2000 and beyond)
1.	Site and building preparation				
	Site acquisition		\$ 463		
	Existing building acquisition		\$ -0-		
	Other acquisitions costs:				
	Environmental studies		\$ 145		
	Geotechnical survey		\$ 55		
	Property survey		\$ 90		
	Historic Preservation		\$ 50		
	Other (specify) <u>acquisition professional services & site mitigation</u>		\$ 678		
	1. Subtotal	\$ -0-	\$ 1,481	\$ 500	\$ 280
	2. Subtotal	\$ -0-	\$ -0-	\$ -0-	\$ -0-
2.	Predesign fees				
3.	Design fees				
	Schematic design		\$ 90		
	Design development		\$ 223		
	Contract documents		\$ 401		
	Construction		\$ 178		
	3. Subtotal	\$ -0-	\$ 892	\$ 100	\$ 204
4.	Administrative costs and professional fees				
	Project management by consultant		\$ 329		
	Construction management		\$ -0-		
	Construction contingency		\$ 1,064		
	Other (specify) _____		\$ 41		
	4. Subtotal	\$ -0-	\$ 1,434	\$ -0-	\$ -0-
5.	Site and building construction				
	On site construction		\$ 10,967		
	Off site construction		\$ -0-		
	Hazardous material abatement		\$ -0-		
	Other (specify) _____		\$ 267		
	5. Subtotal	\$ -0-	\$ 11,234	\$ 5,800	\$ 4,564
6.	Furniture, Fixtures and Equipment				
7.	Occupancy				
8.	Percent for art				
	Total without inflation (1 through 8)	\$ -0-	\$ 16,172	\$ 6,841	\$ 5,208
9.	Inflation multiplier _____				
	Mid-point of construction (mo./yr.) _____				
	Total with inflation (1 through 9)	\$ -0-	\$ 18,572	\$ 7,936	\$ 6,666

TOTAL PROJECT COSTS (all capital costs, all years)

\$ 33,174

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

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FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ <u> </u> -0-
State funding received	\$ <u> </u> -0-
Federal funding received	\$ <u> </u> -0-
Local government funding received	\$ <u> </u> -0-
Private funding received	\$ <u> </u> -0-

For 1996 Session (F.Y. 1996-97)

State funding requested	\$ <u>18,572</u>
Federal funding	\$ <u> </u> -0-
Local government funding	\$ <u> </u> -0-
Private funding	\$ <u> </u> -0-

For 1998 Session (F.Y. 1998-99)

State Funding Estimate	\$ <u>7,936</u>
Federal funding	\$ <u> </u> -0-
Local government funding	\$ <u> </u> -0-
Private funding	\$ <u> </u> -0-

For 2000 Session (F.Y. 2000-01)

State Funding Estimate	\$ <u>6,666</u>
Federal funding	\$ <u> </u> -0-
Local government funding	\$ <u> </u> -0-
Private funding	\$ <u> </u> -0-

Total Project Costs (all years)	\$ <u>33,174</u>
State funding requested (all years)	\$ <u>33,174</u>
Federal funding (all years)	\$ <u> </u> -0-
Local government funding (all years)	\$ <u> </u> -0-
Private funding (all years)	\$ <u> </u> -0-

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

<input type="checkbox"/> Cash: \$ <u> </u>	Fund <u> </u>	
<input checked="" type="checkbox"/> Bonds: \$ <u>18,572</u>	Tax Exempt <input checked="" type="checkbox"/>	Taxable <input type="checkbox"/>

STATE DEBT SERVICE PAYMENTS (Check all that apply):

<input checked="" type="checkbox"/> General Fund	% of total <u>100</u>
<input type="checkbox"/> User Financing	% of total <u> </u>
Source of funds <u> </u>	

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-5

DEPARTMENT OF ADMINISTRATION ANALYSIS:

The predesign submittal is awaiting additional information before receiving a recommendation. The information submitted is anticipated to reflect the data within the predesign work being developed.

This request has been reviewed with an emphasis on cost planning, general scope of work, and schedule and is in general conformance with the capital budget requirements with the following observations:

1. Utility cost for the Southwest site should be reviewed.
2. Design costs (5.5%) are below the 6%-9% range for new construction .

The agency is asked to review their project request in association with these comments and make any appropriate amendments prior to legislative action on the bonding bill.

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

GOVERNOR'S RECOMMENDATION:

The Governor recommends a total of \$7.08 million for field office consolidation construction projects. This includes construction funds of \$1.973 million for Grand Marais, \$1.668 million for International Falls, \$1.587 for Warroad, and \$1.852 million for Windom. Also included are preliminary recommendations of \$6.4 million each in 1998 and 2000 for additional office consolidation projects.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	120
Safety Concerns	0/35/70/105	70
Customer Services/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	0
Asset Management	0/20/40/60	0
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	0
Total		360

	Schematic	Design	Design	Const.	
	Predesign	Design	Devel.	Doc.	Const.
Prior Funding:	<input type="checkbox"/>				
Agency Request:	<input checked="" type="checkbox"/>				
Governor's Recommendation:	<input checked="" type="checkbox"/>				

AGENCY CAPITAL BUDGET REQUEST

Building Project Detail

Capital Budget Year 1996

Project Cost Components	Grand Marais #1	Internat'l Falls #2	Warroad #3	Windom #4	Bemidji Area #5	SW Metro #6	Fergus Falls #7	Totals
1. Site and building preparation								
Site acquisition	50,000		200,000	50,000	163,350			463,350
Existing building acquisition								
Other acquisition costs:								
Environmental studies				15,000	25,000	100,000	5,000	145,000
Geotechnical survey	10,000		7,500	7,500	7,500	15,000	7,500	55,000
Property survey	15,000		10,000	10,000	25,000	15,000	15,000	90,000
Historic Preservation	25,000					25,000		50,000
Acquisition Prof. Fees	5,000	110,000	30,000	8,000	25,000			178,000
Site Mitigation						500,000		500,000
1. Subtotal	105,000	110,000	247,500	90,500	245,850	655,000	27,500	1,481,350
2. Predesign fees								
2. Subtotal	0	0	0	0	0	0	0	0
3. Design fees								
Schematic design	10,900	8,900	7,450	8,431	21,700	16,000	15,813	89,194
Design Development	27,250	22,250	18,625	21,078	54,250	40,000	39,533	222,986
Contract documents	49,050	40,050	33,525	37,940	97,650	72,000	71,159	401,374
Construction	21,800	17,800	14,900	16,862	43,400	32,000	31,626	178,388
3. Subtotal	109,000	89,000	74,500	84,311	217,000	160,000	158,131	891,942
4. Administrative costs and professional fees								
Project management by consultant	35,000	45,000	50,000	35,000	55,000	54,000	55,000	329,000
Construction management								
Construction contingency	116,000	100,200	82,860	93,800	275,600	199,500	196,175	1,064,135
Other (Specify): Interagency Fees	4,500	4,000	3,750	4,215	11,500	5,000	7,900	40,865
4. Subtotal	155,500	149,200	136,610	133,015	342,100	258,500	259,075	1,434,000
5. Site and building construction								
On site construction	1,226,000	1,002,000	828,600	1,197,775	2,756,000	1,995,000	1,961,750	10,967,125
Off site construction								
Hazard material abatement								
Other (Specify): Data/Communications	31,500	24,375	27,250	28,500	64,000	33,250	57,875	266,750
5. Subtotal	1,257,500	1,026,375	855,850	1,226,275	2,820,000	2,028,250	2,019,625	11,233,875
6. Furniture, fixtures and equipment								
6. Subtotal	100,800	86,750	76,325	87,400	274,550	106,250	239,775	971,850
7. Occupancy								
7. Subtotal	4,700	4,000	3,900	4,300	8,100	4,600	7,400	37,000
8. Percent for art								
8. Subtotal	13,583	11,131	9,322	13,137	30,946	21,345	22,594	122,058
9. Inflation								
mid-point of construction (mo./yr.)	1/98	1/98	1/98	1/98	7/98	7/98	7/98	
9. Subtotal	226,991	191,939	182,521	213,062	630,167	517,431	437,456	2,399,567
Total with inflation	1,973,074	1,668,395	1,586,528	1,852,000	4,568,713	3,751,376	3,171,556	18,571,642

AGENCY CAPITAL BUDGET REQUEST

Form D-1

Building Project Detail

Fiscal Years 1996-2001

Dollars in Thousands (\$137,500 = \$138)

AGENCY: Natural Resources, Department of
PROJECT TITLE: Office Facility Consolidation - Predesign

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$392

STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$-0-

STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$-0-

LOCATION (CAMPUS, CITY, COUNTY): Statewide

AGENCY PRIORITY (for projects in the 1996 session only):

B04 of 8 requests

1. PROJECT DESCRIPTION:

This request will provide \$392 thousand to complete the pre-design process for future consolidated office facilities, historic Norris Camp and the Natural Resources Education Center.

Park Rapids	\$20
Baudette	15
Glenwood	15
Blackduck	15
Thief River Falls	15
Scenic State Park/Effie Forestry	15
Eveleth	15
Ely/Tower	25
St. Cloud	30
Hinckley	15
Brainerd	25
Little Falls	15
Brainerd Tanker Base	15
Zimmerman	15
Ortonville	15
Rochester	60
Lewiston/Winona	20
Natural Resources Education Center	35
Red Lake WMA & Historic Norris Camp	12
Total	\$392

Each of these projects has the potential to make a significant contribution to the accomplishing of DNR's mission. Regional and local teams of users and managers have determined that these projects must be considered for future development. Each project will serve significant agency resource management work requirements, and each is linked closely to the agency's long-term strategic plan. We now need to test the feasibility of these projects by submitting them to a more rigorous project planning process. The planning process will provide the clearest possible scope of work, project budget and project schedule.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

DNR Directions Goal: To enhance the ability of the DNR to meet its resource management goal through a commitment to and respect for a skilled, diverse, motivated, and dynamic workforce.

DNR Directions Goal: To ensure efficient and effective delivery of operations support services in support of the DNR's resource management goal.

DNR Directions Strategy: Create innovative initiatives designed to promote wellness and assure a safe and physically and mentally healthy work environment.

DNR Directions Strategy: Continue to pursue improvement opportunities to ensure efficiency and effectiveness of support operations.

Facilities that are poorly lit, poorly landscaped, and with inadequate paved parking access areas are unsafe and uninviting to a public agency's customers at a time when DNR needs to reach out even more to our customers, interacting with them in a daily bases at all levels of the organization in order to effectively implement ecosystem-based management.

The DNR continues to invest in human resources by supporting a trained, equipped, productive and culturally diverse workforce. We will plan facilities which allow full access and function for staff and the public and which will significantly enhance our work in resource management. It is the DNR's position that facility condition greatly contributes to or detracts from our ability to manage the state's natural resources. Proper configuration of space, upgraded lighting and electrical systems, and an infrastructure which enables

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-1

links to statewide information technologies will significantly enhance our resource management work.

The department continually searches for opportunities to provide better service and improve its stewardship over the resources it manages. Office consolidation is one of the tools used to accomplish those objectives. The department has a long history of consolidation--this is the fourth in a series of state-wide requests which started in 1990 and was revised for the 1992 and 1994 sessions. The sites identified here are among those where we expect a need to provide ongoing service to the public.

Ecosystem-based management requires a closer relationship between DNR employees from different units. Consolidation will enable the Department to improve customer service and resource management as well as optimizing the effect of facility operating expenditures.

A major report on "Building Consolidation" was written for the 1990 legislative session. That report described colocation of staff in consolidated offices as a way to:

- Maximize the potential of professional staff,
- Improve communication among disciplines,
- Provide comprehensive resource management services and information to customers, and
- Optimize the effect of facility operating expenditures.

These objectives are still central, and others have been added to the list, including:

- Increased attention to safety concerns,
- Provision of accessible facilities for everyone,
- Provision of clerical and/or information support, and
- Promotion of equipment sharing and personnel resources

NEEDS AND PLANNING

The Department of Natural Resources has completed an organizational evaluation begun in July of 1992. The specific goal of the evaluation was to determine ways in which the DNR might realign its organization to improve management of the state's natural resources, improve customer access and

service, reduce long term operating expenses and improve integration and teamwork among DNR disciplines. A number of recommendations resulted from this process, and many of them concerned the movement toward office consolidation.

The central recommendation is to construct new facilities to accommodate realignment. It has been the Department's experience that resource professionals addressing disparate management tasks, are better able to share information, resources and energy when in the same facility.

A specific recommendation called for a number of future consolidated offices which would house DNR's resource management staff located in common areas. This request includes predesign funds for 19 consolidation projects.

In the fall of 1994 the results of the evaluation and recommendations were forwarded to the Senior Managers' Council and the Commissioners' Office for approval. This information was prepared by using local teams consisting of staff from regional management, user groups and support services to develop base information for each recommended consolidation. These teams used the Department's Space Allocation Guidelines in conjunction with onsite staffing and operations patterns to identify and quantify facility needs. Facility requirements were then verified and cost estimates refined in preparation for final submission.

3. **IMPACT ON AGENCY OPERATING BUDGET (FACILITIES NOTE):**
None.
4. **PREVIOUS PROJECT FUNDING:**
None.
5. **OTHER CONSIDERATIONS (OPTIONAL):**
This list of projects should be considered an example of the sort of pre-design work to be carried out with this appropriation. If other high priority projects are not funded for predesign work in the capital budget process, the agency would likely refocus part of this appropriation on those projects.
6. **PROJECT CONTACT PERSON, TITLE, AND PHONE:**
Mark Wallace, Facility Manager, (612) 282-2505

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

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PROJECT TYPE (check all that apply):

- Renewal of existing facilities or assets (no program expansion).
- Adaption of an existing facility for code-required changes, handicapped access or legal liability purposes.
- Adaption of an existing facility for new, expanded or enhanced uses.
- Construction or acquisition of a new facility for new, expanded or enhanced programs or for replacement purposes.

PROJECT CHARACTERISTICS (check all that apply):

- Safety/liability
- Asset preservation
- Code compliance
- Handicapped access (ADA)
- Hazardous materials
- Enhancement of existing programs/services
- Expansion of existing programs/services
- New programs/services
- Co-location of facilities
- Operating cost reductions and efficiencies
- Other (specify): Planning

INFORMATION TECHNOLOGY AND TELECOMMUTING:

Information technology plan:

submitted to IPO	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> N/A
approved by IPO	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> N/A

Telecommuting plan or statement of non-practicability:

submitted to IPO	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> N/A
approved by IPO	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> N/A

AGENCY BUILDING NAME AND #:

STATE-WIDE BUILDING ID #:

FACILITY SQUARE FOOTAGE:

Existing Building

<input type="checkbox"/>	Gross Sq. Ft.
--------------------------	---------------

Project Scope

<input type="checkbox"/>	Gross Sq. Ft. Demolished
<input type="checkbox"/>	Gross Sq. Ft. Decommissioned
<input type="checkbox"/>	Gross Sq. Ft. Renewal or Adaption
<input type="checkbox"/>	Gross Sq. Ft. New Construction

Final Project Size

<input type="checkbox"/>	Gross Sq. Ft.
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Are there any space utilization standards that apply to your agency and this project?

Yes No.

If so, please cite appropriate sources: DNR Space Allocation Guidelines

CHANGES IN STATE OPERATING COSTS (Facilities Note):

	F.Y. 1996-97	F.Y. 1998-99	F.Y. 2000-01
Change in Compensation	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
Change in Bldg. Oper. Expenses	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
Change in Lease Expenses	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
Change in Other Expenses	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
Total Change in Operating Costs	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>

Other:

Change in F.T.E. Personnel

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-3

TOTAL PROJECT COSTS (ALL YEARS/ALL FUNDING SOURCES):		Project Costs (all prior years)	Project Costs (F.Y. 1996-97)	Project Costs (F.Y. 1998-99)	Project Costs (F.Y. 2000 and beyond)
1. Site and building preparation					
Site acquisition		\$ -0-			
Existing building acquisition		\$ -0-			
Other acquisitions costs:					
Environmental studies		\$ -0-			
Geotechnical survey		\$ -0-			
Property survey		\$ -0-			
Historic Preservation		\$ -0-			
Other (specify) _____		\$ -0-			
	1. Subtotal	\$ -0-	\$ -0-	\$ -0-	\$ -0-
	2. Subtotal	\$ -0-	\$ 392	\$ -0-	\$ -0-
2. Predesign fees					
3. Design fees					
Schematic design		\$ -0-			
Design development		\$ -0-			
Contract documents		\$ -0-			
Construction		\$ -0-			
	3. Subtotal	\$ -0-	\$ -0-	\$ -0-	\$ -0-
4. Administrative costs and professional fees					
Project management by consultant		\$ -0-			
Construction management		\$ -0-			
Construction contingency		\$ -0-			
Other (specify) _____		\$ -0-			
	4. Subtotal	\$ -0-	\$ -0-	\$ -0-	\$ -0-
5. Site and building construction					
On site construction		\$ -0-			
Off site construction		\$ -0-			
Hazardous material abatement		\$ -0-			
Other (specify) _____		\$ -0-			
	5. Subtotal	\$ -0-	\$ -0-	\$ -0-	\$ -0-
6. Furniture, Fixtures and Equipment					
7. Occupancy					
8. Percent for art					
	6. Subtotal	\$ -0-	\$ -0-	\$ -0-	\$ -0-
	7. Subtotal	\$ -0-	\$ -0-	\$ -0-	\$ -0-
	8. Subtotal	\$ -0-	\$ -0-	\$ -0-	\$ -0-
	Total without inflation (1 through 8)	\$ -0-	\$ 392	\$ -0-	\$ -0-
9. Inflation multiplier _____	9. Subtotal	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Mid-point of construction (mo./yr.) _____					
	Total with inflation (1 through 9)	\$ -0-	\$ 392	\$ -0-	\$ -0-

TOTAL PROJECT COSTS (all capital costs, all years)

\$ 392

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-4

FUNDING SOURCES:

Previous Project Funding (all prior years) \$ -0-
 State funding received \$ -0-
 Federal funding received \$ -0-
 Local government funding received \$ -0-
 Private funding received \$ -0-

For 1996 Session (F.Y. 1996-97)

State funding requested \$ 392
 Federal funding \$ -0-
 Local government funding \$ -0-
 Private funding \$ -0-

For 1998 Session (F.Y. 1998-99)

State Funding Estimate \$ -0-
 Federal funding \$ -0-
 Local government funding \$ -0-
 Private funding \$ -0-

For 2000 Session (F.Y. 2000-01)

State Funding Estimate \$ -0-
 Federal funding \$ -0-
 Local government funding \$ -0-
 Private funding \$ -0-

Total Project Costs (all years) \$ 392
 State funding requested (all years) \$ 392
 Federal funding (all years) \$ -0-
 Local government funding (all years) \$ -0-
 Private funding (all years) \$ -0-

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ Fund _____
 Bonds: \$ 392 Tax Exempt Taxable

STATE DEBT SERVICE PAYMENTS (Check all that apply):

General Fund % of total 100
 User Financing % of total _____
 Source of funds _____

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-5

DEPARTMENT OF ADMINISTRATION ANALYSIS:

Until the predesign work is completed and receives a positive recommendation, the information submitted is considered preliminary. The project scope, costs, and schedule could change following predesign completion.

This request has been reviewed with an emphasis on cost planning, general scope of work, and schedule and is in general conformance with the capital budget requirements.

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

GOVERNOR'S RECOMMENDATION:

The Governor recommends general obligation bonding of \$100 thousand for this project.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	120
Safety Concerns	0/35/70/105	0
Customer Services/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	75
User and Non-State Financing	0-100	0
Asset Management	0/20/40/60	0
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	0
Total		265

	Predesign	Schematic	Design	Const.
	Design	Devel.	Doc.	Const.
Prior Funding:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Agency Request:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Governor's Recommendation:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-1

AGENCY: Natural Resources, Department of
PROJECT TITLE: State Park and Recreation Area Building Rehabilitation

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$4,006

STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$3,000

STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$3,000

LOCATION (CAMPUS, CITY, COUNTY): State Wide

AGENCY PRIORITY (for projects in the 1996 session only):

B05 of 8 requests

1. PROJECT DESCRIPTION:

This request for the State Park Building Rehabilitation Program will provide \$4 million to implement major rehabilitation of existing state park and recreation area buildings. This rehabilitation extends the life of historically significant structures and eliminates building code violations. Currently there is an identified need for building rehabilitation in this program of more than \$10 million.

Projects included in this request for the first biennium are:

(Note: detailed project list is available.)

- \$688 for emergency utility system rehabilitation which includes bringing sewage disposal systems up to PCA standards, rebuilding obsolete lift stations, replacing 70 year old water distribution systems and bringing electrical systems into compliance with building codes.
- \$1,649 to rehabilitate Civilian Conservation Corps (CCC) and Work Progress Administration (WPA) era historic buildings. Rehabilitation will include log replacement, stone work, improved accessibility, replacement of inadequate sewage, water and electric systems, new roofs and weatherization where needed. Improvements will eliminate building code violations.
- \$897 to rehabilitate other state park and recreation area structures built during the 1960s. Rehabilitation will include new toilet fixtures, wall and floor finishes, exterior siding, windows and roofs, handicapped accessibility, and upgrade electric, sewage and water systems that do not meet code.

- \$772 for additions to existing structures to meet public demand and accommodate handicapped accessibility. Work also includes replacing vault toilets to meet PCA and health codes.

We feel this amount could be processed in a 2 year period due to our engineering capabilities, staff available and short construction season due to heavy park use.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

The state park system hosts approximately 8 million visitors each year. These visitations amount to more than 1,750,000 vehicles utilizing roads and parking lots, over 825,000 overnight guests and approximately 7 million day visitors. These visitors use toilet/shower buildings, shelters, interpretive centers, contact stations, trail centers and group camp buildings that are old and in need of major rehabilitation.

The state park system contains more than 1,200 buildings of which over 500 are historic structures and many are listed on the National Historic Register. These structures represent a nationally significant cultural resource and include some of the finest examples of CCC/WPA construction in the nation.

If these structures are allowed to deteriorate, Minnesota will lose an outstanding cultural resource as well as a unique style of architecture. These stone and log structures are a part of our heritage and cannot be replaced. Work on these historic structures includes log replacement, stone tuck pointing, improved accessibility, upgrading obsolete electric and sewer systems, roof replacement and improved weatherization. These projects will reduce future operational costs by improving efficiencies of operation. Projects initiated now will eliminate more costly repairs in the future.

The state park system is made up of 66 park and recreation areas. The projects included in this are located in various parks across the state.

The Department's strategic plan report, *Directions for Natural Resources 1995*, outlines the major goals and strategies for achieving its mission and provides the framework for guiding budget investment decisions. This request supports the strategies in *Directions* and state park management plan by

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-1

addressing the demand for opportunities for outdoor recreation and the need to reduce the level of deferred maintenance work and move toward assess management.

DNR Directions: Build upon traditional natural resource management to provide products, services and benefits consistent with a commitment to ecosystem-based management.

DNR Directions: Continue to pursue improvement opportunities to ensure efficiency and effectiveness of support operations.

The long-range goal is to rehabilitate all the CCC, WPA structures in the state park system. Since these structures represent the major physical plant in most of the state park system they are desperately needed to fulfill the state park mission.

The Division of Parks and Recreation currently budgets approximately \$300 thousand annually in operation dollars for minor building and non-building structure rehabilitation. This funding does not begin to address the system's needs. If \$2 million were available annually for building rehabilitation, long-term needs could be met.

3. IMPACT ON AGENCY OPERATING BUDGET (FACILITIES NOTE):

This project will not result in a reduction to the Agency's operating budget. However, maintenance costs for the facilities affected by these projects will be reduced. Cost savings will be used to help offset future inflationary costs.

4. PREVIOUS PROJECT FUNDING:

M.L. 1994, Ch. 643, Sec. 23, Subd. 4, \$2 million. Funds were used for design and construction of state park building rehabilitation projects. In addition, the following appropriations were used for state park betterment since 1985.

Bonding
M.L. 1985, 1SS, Ch. 15, \$1,272
M.L. 1987, Ch. 400, \$3,800
M.L. 1990, Ch. 610, \$3,000
M.L. 1991, Ch. 254, \$2,650
M.L. 1991, Ch. 254, \$750
M.L. 1992, Ch. 558, \$2,751
M.L. 1994, Ch. 643, \$1,000
M.L. 1994, Ch. 643, \$1,250

Trust Fund
M.L. 1993, Ch. 172, \$3,000
M.L. 1994, Ch. 632, \$650
M.L. 1995, Ch. 220, \$1,400

5. OTHER CONSIDERATIONS (OPTIONAL):

We must continue to upgrade our existing statewide facilities to meet growing user demands. Failure to upgrade these facilities will mean higher costs in the future.

Source: The goals are outlined in each State Park Management Plan, the Division of Parks Capital Improvement Plan and the DNR's *Directions 1995* Strategic Plan.

The projects scheduled for completion with this funding are prioritized through a rating system involving field and regional management and represents the most urgent needs currently identified by the park system.

6. PROJECT CONTACT PERSON, TITLE, AND PHONE:

John Strohkirch, State Park Development and Real Estate Manager, 612-296-8289.

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
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Form D-2

PROJECT TYPE (check all that apply):

- Renewal of existing facilities or assets (no program expansion).
- Adaption of an existing facility for code-required changes, handicapped access or legal liability purposes.
- Adaption of an existing facility for new, expanded or enhanced uses.
- Construction or acquisition of a new facility for new, expanded or enhanced programs or for replacement purposes.

PROJECT CHARACTERISTICS (check all that apply):

- Safety/liability
- Asset preservation
- Code compliance
- Handicapped access (ADA)
- Hazardous materials
- Enhancement of existing programs/services
- Expansion of existing programs/services
- New programs/services
- Co-location of facilities
- Operating cost reductions and efficiencies
- Other (specify):

INFORMATION TECHNOLOGY AND TELECOMMUTING:

Information technology plan:

submitted to IPO	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> N/A
approved by IPO	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> N/A

Telecommuting plan or statement of non-practicability:

submitted to IPO	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> N/A
approved by IPO	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> N/A

AGENCY BUILDING NAME AND #: Various state park buildings

STATE-WIDE BUILDING ID #:

FACILITY SQUARE FOOTAGE:

Existing Building

1,048,036 Gross Sq. Ft.

Project Scope

<input type="checkbox"/>	Gross Sq. Ft. Demolished
<input type="checkbox"/>	Gross Sq. Ft. Decommissioned
<input checked="" type="checkbox"/>	Gross Sq. Ft. Renewal or Adaption
<input type="checkbox"/>	Gross Sq. Ft. New Construction

Final Project Size

1,048,036 Gross Sq. Ft.

Are there any space utilization standards that apply to your agency and this project?

Yes No.

If so, please cite appropriate sources:

CHANGES IN STATE OPERATING COSTS (Facilities Note):

	F.Y. 1996-97	F.Y. 1998-99	F.Y. 2000-01
Change in Compensation	\$ _____	\$ _____	\$ _____
Change in Bldg. Oper. Expenses	\$ _____	\$ _____	\$ _____
Change in Lease Expenses	\$ _____	\$ _____	\$ _____
Change in Other Expenses	\$ _____	\$ _____	\$ _____
Total Change in Operating Costs	\$ _____ -0-	\$ _____ -0-	\$ _____ -0-

Other:

Change in F.T.E. Personnel

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-3

TOTAL PROJECT COSTS (ALL YEARS/ALL FUNDING SOURCES):		Project Costs (all prior years)	Project Costs (F.Y. 1996-97)	Project Costs (F.Y. 1998-99)	Project Costs (F.Y. 2000 and beyond)
1.	Site and building preparation				
	Site acquisition		\$ 0-		
	Existing building acquisition		\$ 0-		
	Other acquisitions costs:				
	Environmental studies		\$ 0-		
	Geotechnical survey		\$ 0-		
	Property survey		\$ 0-		
	Historic Preservation		\$ 75		
	Other (specify) _____		\$ 0-		
		1. Subtotal	\$ 0-	\$ 75	\$ 57
		2. Subtotal	\$ 0-	\$ 0-	\$ 0-
2.	Predesign fees				
3.	Design fees				
	Schematic design		\$ 27		
	Design development		\$ 68		
	Contract documents		\$ 121		
	Construction		\$ 54		
		3. Subtotal	\$ 1,688	\$ 270	\$ 201
4.	Administrative costs and professional fees				
	Project management by consultant		\$ 270		
	Construction management		\$ 0-		
	Construction contingency		\$ 0-		
	Other (specify) <u>interagency fees</u>		\$ 25		
		4. Subtotal	\$ 562	\$ 295	\$ 222
5.	Site and building construction				
	On site construction		\$ 2,550		
	Off site construction		\$ 0-		
	Hazardous material abatement		\$ 0-		
	Other (specify) <u>utility rehab, interp & educ</u>		\$ 816		
		5. Subtotal	\$ 12,750	\$ 3,366	\$ 2,520
		6. Subtotal	\$ 0-	\$ 0-	\$ 0-
6.	Furniture, Fixtures and Equipment				
7.	Occupancy				
8.	Percent for art				
		7. Subtotal	\$ 0-	\$ 0-	\$ 0-
		8. Subtotal	\$ 0-	\$ 0-	\$ 0-
	Total without inflation (1 through 8)		\$ 15,000	\$ 4,006	\$ 3,000
9.	Inflation multiplier _____		9. Subtotal	\$ 0-	\$ 0-
	Mid-point of construction (mo./yr.) _____				
			Total with inflation (1 through 9)	\$ 15,000	\$ 4,006
					TOTAL PROJECT COSTS (all capital costs, all years)
					\$ 25,006

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-4

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ 15,000
State funding received	\$ 15,000
Federal funding received	\$ -0-
Local government funding received	\$ -0-
Private funding received	\$ -0-

For 1996 Session (F.Y. 1996-97)

State funding requested	\$ 4,006
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-

For 1998 Session (F.Y. 1998-99)

State Funding Estimate	\$ 3,000
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-

For 2000 Session (F.Y. 2000-01)

State Funding Estimate	\$ 3,000
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-

Total Project Costs (all years)	\$ 25,006
State funding requested (all years)	\$ 25,006
Federal funding (all years)	\$ -0-
Local government funding (all years)	\$ -0-
Private funding (all years)	\$ -0-

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ _____ Fund _____
 Bonds: \$ 4,006 Tax Exempt Taxable

STATE DEBT SERVICE PAYMENTS (Check all that apply):

General Fund % of total 100
 User Financing % of total _____
Source of funds _____

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-5

DEPARTMENT OF ADMINISTRATION ANALYSIS:

This project is appropriate as a separate request due to the project cost exceeding the \$1 million asset preservation guideline.

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

GOVERNOR'S RECOMMENDATION:

The Governor recommends general obligation bonding of \$1.5 million for this project. Also included are budget planning estimates of \$1.5 million in 1998 and \$1.5 million in 2000.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	120
Safety Concerns	0/35/70/105	70
Customer Services/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	75
User and Non-State Financing	0-100	0
Asset Management	0/20/40/60	60
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	50
Total		480

	Predesign	Schematic	Design	Devel.	Const. Doc.	Const.
Prior Funding:	<input type="checkbox"/>	<input checked="" type="checkbox"/>				
Agency Request:	<input type="checkbox"/>	<input checked="" type="checkbox"/>				
Governor's Recommendation:	<input type="checkbox"/>	<input checked="" type="checkbox"/>				

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-1

AGENCY: Natural Resources, Department of
PROJECT TITLE: State Park and Recreation Area Building Development

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$4,075
STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$4,000
STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$4,000
LOCATION (CAMPUS, CITY, COUNTY): State Wide

AGENCY PRIORITY (for projects in the 1996 session only):

B06 of 8 requests

1. PROJECT DESCRIPTION:

This request for the State Park and Recreation Area Building Development Program will provide \$4 million for construction and remodeling of facilities in the State park system. With over 8 million visitors annually, the construction of new facilities is required in order for the Department to continue providing quality recreation experiences for park users. The scope of this project includes the replacement or remodeling of some structures that are beyond repair and are in violation of health, safety, and accessibility codes.

The following project summary outlines what type of facilities are proposed to be built from the 1996 appropriation request and the impact this will have on the park system. This request will complete the development of the highest priority facilities.

- \$680 for new shower and toilet facilities in 4 state parks. These facilities are desperately needed to provide minimal service to campers. Oftentimes these facilities serve as storm shelters in the campgrounds.
- \$860 for visitor contact stations at 4 state parks. These facilities will provide visitor orientation.
- \$660 for shop/storage buildings at 10 state parks. Valuable state equipment and supplies are currently stored outside. These structures will provide co-location with enforcement.
- \$360 for new interpretive displays in 5 parks. These will be in major interpretive centers.

- \$825 for remodeling existing park buildings to provide handicapped accessibility and more efficient use of 16 state park buildings. These buildings are currently not in compliance with ADA standards.
- \$690 for accessible vault toilets, picnic shelters and camper cabins in state park and recreation areas.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

The state park system hosts approximately 8 million visitors each year. These visitations amount to more than 1,750,000 vehicles utilizing roads and parking lots, over 825,000 overnight guests, and approximately 7 million day visitors. Many parks currently have inadequate facilities, no showers available at campgrounds, no facilities to interpret the unique park resources and no service or office facilities.

The state park system is made up of 66 park and recreation areas. The projects included in this request are located in various parks across the state. A detailed list of projects is available.

The Department's strategic plan report, *Directions for Natural Resources 1995*, outlines the major goals and strategies for achieving its mission and provides the framework for guiding budget investment decisions. This request supports the strategies in *Directions* and State Park Management Plans by addressing the demand for opportunities for outdoor recreation.

DNR Directions: Build upon traditional natural resource management to provide products, services and benefits consistent with a commitment to ecosystem-based management.

The long-range goal of the State Park Development Program is to construct all the new facilities identified in the State Park management plans by the year 2000. This will ensure the availability of recreational facilities for a growing population and user demand.

Developing these new facilities will enable the park system to better meet its goals of protecting resources and providing quality recreation.

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-1

3. IMPACT ON AGENCY OPERATING BUDGET (FACILITIES NOTE):

Developing these new facilities will require spending custodial and maintenance funding of \$65 thousand in each biennium in which the buildings are operational.

The projects scheduled for completion with this funding are prioritized through a rating system involving field and regional management and represents the most urgent needs currently identified by the park system.

4. PREVIOUS PROJECT FUNDING:

M.L. 1994, Ch. 643, Sec. 23, Subd. 5, \$1 million. Funds were used for design and construction of state park buildings. In addition, the following appropriations were used for state park betterment since 1985.

6. PROJECT CONTACT PERSON, TITLE, AND PHONE:

John Strohkirch, State Park Development and Real Estate Manager, 612-296-8289.

Bonding

M.L. 1985	1SS, Ch. 15	\$1,272
M.L. 1987	Ch. 400	\$3,800
M.L. 1990	Ch. 610	\$3,000
M.L. 1991	Ch. 254	\$2,650
M.L. 1991	Ch. 254	\$750
M.L. 1992	Ch. 558	\$2,751
M.L. 1994	Ch. 643	\$2,000
M.L. 1994	Ch. 643	\$1,250

Trust Fund

M.L. 1993	Ch. 172	\$3,000
M.L. 1994	Ch. 632	\$650
M.L. 1995	Ch. 220	\$680

Future Resources

M.L. 1995	Ch. 220	\$200
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5. OTHER CONSIDERATIONS (OPTIONAL):

Building facilities in the state park system must continually be improved in order to meet growing user demand. Delay in construction will mean higher future costs.

Source: The goals are outlined in each state park management plan, the Division of Parks Capital Improvement plan and the DNR's *Directions 1995* Strategic plan.

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-2

PROJECT TYPE (check all that apply):

_____ Renewal of existing facilities or assets (no program expansion).
_____ Adaption of an existing facility for code-required changes, handicapped access or legal liability purposes.
 Adaption of an existing facility for new, expanded or enhanced uses.
 Construction or acquisition of a new facility for new, expanded or enhanced programs or for replacement purposes.

PROJECT CHARACTERISTICS (check all that apply):

- Safety/liability
- Asset preservation
- Code compliance
- Handicapped access (ADA)
- Hazardous materials
- Enhancement of existing programs/services
- Expansion of existing programs/services
- New programs/services
- Co-location of facilities
- Operating cost reductions and efficiencies
- Other (specify):

INFORMATION TECHNOLOGY AND TELECOMMUTING:

Information technology plan:

submitted to IPO yes no N/A
approved by IPO yes no N/A

Telecommuting plan or statement of non-practicability:

submitted to IPO yes no X N/A
approved by IPO yes no X N/A

AGENCY BUILDING NAME AND #:

STATE-WIDE BUILDING ID #:

FACILITY SQUARE FOOTAGE:

Existing Building

Project Scope

2,400 Gross Sq. Ft. Demolished
 Gross Sq. Ft. Decommissioned
 Gross Sq. Ft. Renewal or Adaptation
25,000 Gross Sq. Ft. New Construction

Final Project Size

Are there any space utilization standards that apply to your agency and this project?

If so, please cite appropriate sources:

CHANGES IN STATE OPERATING COSTS (Facilities Note):

	F.Y. 1996-97	F.Y. 1998-99	F.Y. 2000-01
Change in Compensation	\$ -0-	\$ -0-	\$ -0-
Change in Bldg. Oper. Expenses	\$ -0-	\$ 65	\$ 65
Change in Lease Expenses	\$ -0-	\$ -0-	\$ -0-
Change in Other Expenses	\$ -0-	\$ -0-	\$ -0-
Total Change in Operating Costs	\$ -0-	\$ 65	\$ 65

Other:

Change in F.T.E. Personnel

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-3

<u>TOTAL PROJECT COSTS (ALL YEARS/ALL FUNDING SOURCES):</u>		Project Costs (all prior years)	Project Costs (F.Y. 1996-97)	Project Costs (F.Y. 1998-99)	Project Costs (F.Y. 2000 and beyond)
1.	Site and building preparation				
	Site acquisition		\$ -0-		
	Existing building acquisition		\$ -0-		
	Other acquisitions costs:				
	Environmental studies		\$ -0-		
	Geotechnical survey		\$ 10		
	Property survey		\$ 25		
	Historic Preservation		\$ -0-		
	Other (specify) <u>archaeology</u>		\$ 40		
		1. Subtotal	\$ -0-	\$ 75	\$ 72
		2. Subtotal	\$ -0-	\$ -0-	\$ -0-
2.	Predesign fees				
3.	Design fees				
	Schematic design		\$ 23		
	Design development		\$ 59		
	Contract documents		\$ 106		
	Construction		\$ 47		
		3. Subtotal	\$ 801	\$ 235	\$ 232
4.	Administrative costs and professional fees				
	Project management by consultant		\$ 235		
	Construction management		\$ -0-		
	Construction contingency		\$ -0-		
	Other (specify) <u>interagency fees</u>		\$ 25		
		4. Subtotal	\$ 267	\$ 260	\$ 252
5.	Site and building construction				
	On site construction		\$ 3,215		
	Off site construction		\$ -0-		
	Hazardous material abatement		\$ -0-		
	Other (specify) <u>utility replacement, interp & educ.</u>		\$ 290		
		5. Subtotal	\$ 6,055	\$ 3,505	\$ 3,444
6.	Furniture, Fixtures and Equipment				
7.	Occupancy				
8.	Percent for art				
		6. Subtotal	\$ -0-	\$ -0-	\$ -0-
		7. Subtotal	\$ -0-	\$ -0-	\$ -0-
		8. Subtotal	\$ -0-	\$ -0-	\$ -0-
		Total without inflation (1 through 8)	\$ 7,123	\$ 4,075	\$ 4,000
9.	Inflation multiplier				
	Mid-point of construction (mo./yr.)				
		9. Subtotal	\$ -0-	\$ -0-	\$ -0-
		Total with inflation (1 through 9)	\$ 7,123	\$ 4,075	\$ 4,000

TOTAL PROJECT COSTS (all capital costs, all years)

\$ 19,198

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ 7,123
State funding received	\$ 7,123
Federal funding received	\$ -0-
Local government funding received	\$ -0-
Private funding received	\$ -0-

For 1996 Session (F.Y. 1996-97)

State funding requested	\$ 4,075
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-

For 1998 Session (F.Y. 1998-99)

State Funding Estimate	\$ 4,000
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-

For 2000 Session (F.Y. 2000-01)

State Funding Estimate	\$ 4,000
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-

Total Project Costs (all years)	\$ 19,198
State funding requested (all years)	\$ 19,198
Federal funding (all years)	\$ -0-
Local government funding (all years)	\$ -0-
Private funding (all years)	\$ -0-

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ _____ Fund _____
 Bonds: \$ 4,075 Tax Exempt Taxable

STATE DEBT SERVICE PAYMENTS (Check all that apply):

General Fund % of total 100

User Financing % of total _____

Source of funds _____

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-5

DEPARTMENT OF ADMINISTRATION ANALYSIS:

Projects of limited scope have been determined to not require predesign. The State Park and Recreation Area Building Development project covered by this request is not expected to present a predesign submittal but would require legislative review in accordance with M.S. 16B.335.

This request has been reviewed with an emphasis on cost planning, general scope of work, and schedule and is in general conformance with the capital budget requirements with the following observations:

1. Construction cost per square foot can not be determined. Facility size was not included on Form D-2.
2. Inflation was not included and should be calculated.

The agency is asked to review their project request in association with these comments and make any appropriate amendments prior to legislative action on the bonding bill.

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

GOVERNOR'S RECOMMENDATION:

The Governor recommends general obligation bonding of \$1.0 million for this project. Also included are budget planning estimates of \$1.0 million in 1998 and \$1.0 million in 2000.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	120
Safety Concerns	0/35/70/105	0
Customer Services/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	75
User and Non-State Financing	0-100	0
Asset Management	0/20/40/60	0
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	50
Total		350

	Predesign	Schematic Design	Design Devel.	Const. Doc.	Const.
Prior Funding:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Agency Request:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Governor's Recommendation:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-1

AGENCY: Natural Resources, Department of
PROJECT TITLE: Field Office Renovation

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$1,000
STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$2,541
STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$5,915
LOCATION (CAMPUS, CITY, COUNTY): Statewide

AGENCY PRIORITY (for projects in the 1996 session only):

B07 of 8 requests

1. PROJECT DESCRIPTION:

This request will provide \$1 million to renovate existing DNR Field Offices for accessibility, proper configuration for current uses and good repair. Many years have passed and a great deal of change has occurred within the DNR with little attention given to the need for a corresponding change in facilities. Upgrading and renovation of facilities is necessary to accommodate new uses, additional staff and changes in codes and standards for office facilities.

This project will immediately affect 42 Field Offices which have been identified as our first priorities, every indicator points to long term operations continuing out of these offices.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

DNR Directions Goal: To enhance the ability of the DNR to meet its resource management goal through a commitment to and respect for a skilled, diverse, motivated, and dynamic workforce.

DNR Directions Goal: To ensure efficient and effective delivery of operations support services in support of the DNR's resource management goal.

DNR Directions Strategy: Create innovative initiatives designed to promote wellness and assure a safe and physically and mentally healthy work environment.

DNR Directions Strategy: Continue to pursue improvement opportunities to ensure efficiency and effectiveness of support operations.

The DNR continues to invest in human resources by supporting a trained, equipped, productive and culturally diverse work force. Maintenance and rehabilitation of facilities to allow full access and function for our work force will significantly enhance our work in resource management. It is the DNR's position that facility condition significantly contributes to or detracts from our ability to manage the state's natural resources. Proper configuration of space, upgraded lighting and electrical systems, infrastructure to create links to statewide information technologies will significantly enhance our ability to do work in resource management.

3. IMPACT ON AGENCY OPERATING BUDGET (FACILITIES NOTE):

This request will affect operating budgets in several ways.

- Improved office facilities will enhance effectiveness and efficiency. New construction methods and materials will provide conveniently configured facilities which will in turn enhance productivity. Increased productivity will increase DNR's effectiveness without increasing resource management funding.
- There will be some relief in the backlog of maintenance work owed to older structures. As nearly all work will be done on existing structures. We will be able to enhance operating efficiency and thus will be able to refocus repair and maintenance budgets.
- Future maintenance costs will be reduced due to the application of new construction methods and low-maintenance materials.
- The overall project will result in no net increase in office facilities, or in the DNR's maintenance obligation.

4. PREVIOUS PROJECT FUNDING:

None.

**AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)**

Form D-1

5. OTHER CONSIDERATIONS (OPTIONAL):

The request for Field Office Renovation has many common elements with projects associated with the Capital Asset Preservation and Replacement Account (CAPRA). We have carefully coordinated this request with the DNR CAPRA request to avoid duplication in our submittals.

6. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Mark Wallace, Facility Manager, Bureau of Field Services, (612) 282-2505

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-2

PROJECT TYPE (check all that apply):

- Renewal of existing facilities or assets (no program expansion).
- Adaption of an existing facility for code-required changes, handicapped access or legal liability purposes.
- Adaption of an existing facility for new, expanded or enhanced uses.
- Construction or acquisition of a new facility for new, expanded or enhanced programs or for replacement purposes.

PROJECT CHARACTERISTICS (check all that apply):

- Safety/liability
- Asset preservation
- Code compliance
- Handicapped access (ADA)
- Hazardous materials
- Enhancement of existing programs/services
- Expansion of existing programs/services
- New programs/services
- Co-location of facilities
- Operating cost reductions and efficiencies
- Other (specify):

INFORMATION TECHNOLOGY AND TELECOMMUTING:

Information technology plan:

submitted to IPO yes no N/A
approved by IPO yes no N/A

Telecommuting plan or statement of non-practicability:

submitted to IPO yes no X N/A
approved by IPO yes no X N/A

AGENCY BUILDING NAME AND #:

STATE-WIDE BUILDING ID #:

FACILITY SQUARE FOOTAGE:

Existing Building
411,552 Gross Sq. Ft

Project Scope

171,064 Gross Sq. Ft. Demolished
171,064 Gross Sq. Ft. Decommissioned
171,064 Gross Sq. Ft. Renewal or Adaptation
171,064 Gross Sq. Ft. New Construction

Final Project Size

Are there any space utilization standards that apply to your agency and this project?

Yes No.

If so, please cite appropriate sources: The DNR has established Space Allocation Guidelines. While this project will principally focus on fixing deferred repair and maintenance issues, we will use a facilities relative compliance with the space guidelines as an element to help prioritize the work.

CHANGES IN STATE OPERATING COSTS (Facilities Note)

	<u>F.Y. 1996-97</u>	<u>F.Y. 1998-99</u>	<u>F.Y. 2000-01</u>
Change in Compensation	\$ _____	\$ _____	\$ _____
Change in Bldg. Oper. Expenses	\$ _____	\$ _____	\$ _____
Change in Lease Expenses	\$ _____	\$ _____	\$ _____
Change in Other Expenses	\$ _____	\$ _____	\$ _____
Total Change in Operating Costs	\$ _____	\$ _____	\$ _____

Other:

Change in F.T.E. Personnel

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-3

<u>TOTAL PROJECT COSTS (ALL YEARS/ALL FUNDING SOURCES):</u>		Project Costs (all prior years)	Project Costs (F.Y. 1996-97)	Project Costs (F.Y. 1998-99)	Project Costs (F.Y. 2000 and beyond)
1. Site and building preparation					
Site acquisition		\$ -0-	\$ -0-	\$ -0-	\$ -0-
Existing building acquisition		\$ -0-	\$ -0-	\$ -0-	\$ -0-
Other acquisitions costs:					
Environmental studies		\$ -0-	\$ -0-	\$ -0-	\$ -0-
Geotechnical survey		\$ -0-	\$ -0-	\$ -0-	\$ -0-
Property survey		\$ -0-	\$ -0-	\$ -0-	\$ -0-
Historic Preservation		\$ -0-	\$ -0-	\$ -0-	\$ -0-
Other (specify) _____		\$ -0-	\$ -0-	\$ -0-	\$ -0-
	1. Subtotal	\$ -0-	\$ -0-	\$ -0-	\$ -0-
	2. Subtotal	\$ -0-	\$ -0-	\$ -0-	\$ -0-
2. Predesign fees					
3. Design fees					
Schematic design		\$ 25	\$ 25	\$ 25	\$ 25
Design development		\$ 25	\$ 25	\$ 25	\$ 25
Contract documents		\$ 50	\$ 50	\$ 50	\$ 50
Construction		\$ 96	\$ 96	\$ 96	\$ 96
	3. Subtotal	\$ -0-	\$ 196	\$ 508	\$ 1,183
4. Administrative costs and professional fees					
Project management by consultant		\$ -0-	\$ -0-	\$ -0-	\$ -0-
Construction management		\$ -0-	\$ -0-	\$ -0-	\$ -0-
Construction contingency		\$ -0-	\$ -0-	\$ -0-	\$ -0-
Other (specify) _____		\$ -0-	\$ -0-	\$ -0-	\$ -0-
	4. Subtotal	\$ -0-	\$ -0-	\$ -0-	\$ -0-
5. Site and building construction					
On site construction		\$ 804	\$ 804	\$ 2,033	\$ 4,732
Off site construction		\$ -0-	\$ -0-	\$ -0-	\$ -0-
Hazardous material abatement		\$ -0-	\$ -0-	\$ -0-	\$ -0-
Other (specify) _____		\$ -0-	\$ -0-	\$ -0-	\$ -0-
	5. Subtotal	\$ -0-	\$ 804	\$ 2,033	\$ 4,732
6. Furniture, Fixtures and Equipment					
7. Occupancy					
8. Percent for art					
	6. Subtotal	\$ -0-	\$ -0-	\$ -0-	\$ -0-
	7. Subtotal	\$ -0-	\$ -0-	\$ -0-	\$ -0-
	8. Subtotal	\$ -0-	\$ -0-	\$ -0-	\$ -0-
	Total without inflation (1 through 8)	\$ -0-	\$ 1,000	\$ 2,541	\$ 5,915
9. Inflation multiplier _____					
Mid-point of construction (mo./yr.) _____					
	9. Subtotal	\$ -0-	\$ -0-	\$ -0-	\$ -0-
	Total with inflation (1 through 9)	\$ -0-	\$ 1,000	\$ 2,541	\$ 5,915

TOTAL PROJECT COSTS (all capital costs, all years) \$ 9,456

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-4

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ <u> </u> -0-
State funding received	\$ <u> </u> -0-
Federal funding received	\$ <u> </u> -0-
Local government funding received	\$ <u> </u> -0-
Private funding received	\$ <u> </u> -0-

For 1996 Session (F.Y. 1996-97)

State funding requested	\$ <u> </u> 1,000
Federal funding	\$ <u> </u> -0-
Local government funding	\$ <u> </u> -0-
Private funding	\$ <u> </u> -0-

For 1998 Session (F.Y. 1998-99)

State Funding Estimate	\$ <u> </u> 2,541
Federal funding	\$ <u> </u> -0-
Local government funding	\$ <u> </u> -0-
Private funding	\$ <u> </u> -0-

For 2000 Session (F.Y. 2000-01)

State Funding Estimate	\$ <u> </u> 5,915
Federal funding	\$ <u> </u> -0-
Local government funding	\$ <u> </u> -0-
Private funding	\$ <u> </u> -0-

Total Project Costs (all years)	\$ <u> </u> 9,456
State funding requested (all years)	\$ <u> </u> 9,456
Federal funding (all years)	\$ <u> </u> -0-
Local government funding (all years)	\$ <u> </u> -0-
Private funding (all years)	\$ <u> </u> -0-

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ Fund _____
 Bonds: \$ 1,000 Tax Exempt Taxable

STATE DEBT SERVICE PAYMENTS (Check all that apply):

<input checked="" type="checkbox"/> General Fund	% of total <u> </u> 100
<input type="checkbox"/> User Financing	% of total _____

Source of funds _____

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-5

DEPARTMENT OF ADMINISTRATION ANALYSIS:

Projects of limited scope have been determined to not require predesign. The Field Office Renovation project covered by this request is not expected to present a predesign submittal but would require legislative review in accordance with M.S. 16B.335.

This request has been reviewed with an emphasis on cost planning, general scope of work, and schedule and is in general conformance with the capital budget requirements with the following observations:

1. Design costs (25%) are above the 6%-9% range for new construction.
2. Inflation was not included and should be calculated.
3. FFE costs were not indicated in the request.

The agency is asked to review their project request in association with these comments and make any appropriate amendments prior to legislative action on the bonding bill.

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend capital funds for this project.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	120
Safety Concerns	0/35/70/105	70
Customer Services/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	0
Asset Management	0/20/40/60	60
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	0
Total		370

	Predesign	Schematic Design	Design Devel.	Const. Doc.	Const.
Prior Funding:	<input type="checkbox"/>				
Agency Request:	<input checked="" type="checkbox"/>				
Governor's Recommendation:	<input type="checkbox"/>				

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-1

AGENCY: Natural Resources, Department of
PROJECT TITLE: Statewide Storage Facilities

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$1,017

STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$850

STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$850

LOCATION (CAMPUS, CITY, COUNTY): Statewide

AGENCY PRIORITY (for projects in the 1996 session only):

B08 of 8 requests

1. PROJECT DESCRIPTION:

This request for \$1.017 million the first biennium will provide funds to design and construct storage facilities statewide. Evaluation of available storage indicates a high priority need for both unheated and heated storage at thirteen sites. In most cases unheated storage is required to house vulnerable equipment and materials. Several heated facilities are required to protect equipment and materials, such as wild fire response equipment, which may be damaged or rendered inoperable if frozen.

The statewide storage facility sites provided for in this request include:

Warroad-Enforcement	Sibley State Park
Duluth-Fisheries	Rice Lake State Park
Ortonville-Fisheries	Interstate State Park
Wannaska-Forestry	MN Valley Recreation Area
Lake City Headquarters	Afton State Park
Moose Lake Headquarters	Bear Head State Park
New London Headquarters	

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

The Department's strategic plan report, *Directions for Natural Resources 1995*, outlines the major goals and strategies for achieving its mission and provides the framework for guiding budget investment decisions. This request

supports the strategies in *Directions* by addressing the need to protect our capital investment in equipment and materials and move towards improved asset management.

DNR Directions: To ensure efficient and effective delivery of operations support services in support of the DNR's resource management goal.

DNR Directions: Continue to pursue improvement opportunities to ensure efficiency and effectiveness of support operations.

Adequate storage facilities are necessary for the DNR's resource management mission. Field offices in particular must store many types of equipment or materials in order to keep them in usable condition.

Over time existing storage facilities have deteriorated, agency need has changed or staff have been relocated to facilities where limited storage exist. A significant number of storage facilities must now be built or replaced. These proposed storage units complement existing facilities and will provide the necessary utility.

3. IMPACT ON AGENCY OPERATING BUDGET (FACILITIES NOTE):

This request will affect operating budgets in several ways.

- Improved storage facilities will enhance DNR's effectiveness and efficiency. New construction methods and materials can provide conveniently configured facilities which will in turn increase employee productivity. Greater productivity will allow more work to be accomplished with the same dollars.
- All of the storage facilities for which funding has been requested will be new structures or replacements for older structures. This will greatly relieve the back log of maintenance work necessary for the older structures, enhance the Department's operating efficiency and allow a refocusing of the DNR's repair and maintenance operating budget.
- Future maintenance costs will be reduced using new construction methods and low maintenance materials.

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-1

- The overall project will result in a net increase of storage facilities. Even though these storage facilities will be low-maintenance and relatively inexpensive to maintain, they will result in an increased maintenance obligation to the repair and maintenance operating budget.

4. PREVIOUS PROJECT FUNDING:

This project has not been funded on a statewide basis in the past, although individual units have requested storage facilities. This statewide request is an attempt to bring together and prioritize a reasonable grouping of storage needs. The last bond fund appropriation was made in M.L. 1985, 1SS, Ch. 15, for \$267; \$168 for a storage facility at the St. Paul Service Center, and \$99 for storage buildings at Thief Lake Wildlife Management Area.

5. OTHER CONSIDERATIONS (OPTIONAL):

We have coordinated this request with all DNR Divisions. The Division of Parks and Recreation will continue to identify their storage needs in the Parks Division's development request. We have not duplicated any of Parks request. Several storage buildings requested here are to be sited in a state park, but, in each of those cases the facilities will be shared by several divisions and Parks is not the sole sponsor.

6. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Mark Wallace, Facility Manager, (612) 282-2505

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-2

PROJECT TYPE (check all that apply):

- Renewal of existing facilities or assets (no program expansion).
- Adaption of an existing facility for code-required changes, handicapped access or legal liability purposes.
- Adaption of an existing facility for new, expanded or enhanced uses.
- Construction or acquisition of a new facility for new, expanded or enhanced programs or for replacement purposes.

PROJECT CHARACTERISTICS (check all that apply):

- Safety/liability
- Asset preservation
- Code compliance
- Handicapped access (ADA)
- Hazardous materials
- Enhancement of existing programs/services
- Expansion of existing programs/services
- New programs/services
- Co-location of facilities
- Operating cost reductions and efficiencies
- Other (specify):

INFORMATION TECHNOLOGY AND TELECOMMUTING:

Information technology plan:

submitted to IPO	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A
approved by IPO	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A

Telecommuting plan or statement of non-practicability:

submitted to IPO	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A
approved by IPO	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A

AGENCY BUILDING NAME AND #: Statewide Storage Facilities

STATE-WIDE BUILDING ID #: 20 sites

FACILITY SQUARE FOOTAGE:

Existing Building

786,026 Gross Sq. Ft.

Project Scope

<u>14,108</u>	Gross Sq. Ft. Demolished
<u> </u>	Gross Sq. Ft. Decommissioned
<u>28,172</u>	Gross Sq. Ft. Renewal or Adaption
<u> </u>	Gross Sq. Ft. New Construction

Final Project Size

800,090 Gross Sq. Ft.

Are there any space utilization standards that apply to your agency and this project?

Yes No.

If so, please cite appropriate sources: The DNR has established Space Allocation Guidelines, which are used to determine the priority and need for storage facilities. These guidelines make an initial allowance of 300 sq. ft. of unheated storage space for every 2 FTE, and an additional 300 sq ft. of heated storage space for equipment or supplies vulnerable to damage in freezing weather. Specific justification must be provided for any request which exceeds the guidelines.

CHANGES IN STATE OPERATING COSTS (Facilities Note):

	F.Y. 1996-97	F.Y. 1998-99	F.Y. 2000-01
Change in Compensation	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
Change in Bldg. Oper. Expenses	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
Change in Lease Expenses	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
Change in Other Expenses	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
Total Change in Operating Costs . . .	<u> </u>	<u> </u>	<u> </u>

Other:

Change in F.T.E. Personnel

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-3

<u>TOTAL PROJECT COSTS (ALL YEARS/ALL FUNDING SOURCES):</u>		Project Costs (all prior years)	Project Costs (F.Y. 1996-97)	Project Costs (F.Y. 1998-99)	Project Costs (F.Y. 2000 and beyond)
1.	Site and building preparation				
	Site acquisition		\$ -0-		
	Existing building acquisition		\$ -0-		
	Other acquisitions costs:				
	Environmental studies		\$ -0-		
	Geotechnical survey		\$ -0-		
	Property survey		\$ 15		
	Historic Preservation		\$ -0-		
	Other (specify) _____		\$ -0-		
	1. Subtotal	\$ -0-	\$ 15	\$ -0-	\$ -0-
	2. Subtotal	\$ -0-	\$ -0-	\$ -0-	\$ -0-
2.	Predesign fees				
3.	Design fees				
	Schematic design		\$ 5		
	Design development		\$ 14		
	Contract documents		\$ 24		
	Construction		\$ 11		
	3. Subtotal	\$ -0-	\$ 54	\$ 100	\$ 100
4.	Administrative costs and professional fees				
	Project management by consultant		\$ 54		
	Construction management		\$ -0-		
	Construction contingency		\$ -0-		
	Other (specify) <u>Interagency fees</u>		\$ 3		
	4. Subtotal	\$ -0-	\$ 57	\$ 200	\$ 200
5.	Site and building construction				
	On site construction		\$ 891		
	Off site construction		\$ -0-		
	Hazardous material abatement		\$ -0-		
	Other (specify) _____		\$ -0-		
	5. Subtotal	\$ -0-	\$ 891	\$ 550	\$ 550
6.	Furniture, Fixtures and Equipment				
7.	Occupancy				
8.	Percent for art				
	Total without inflation (1 through 8)	\$ -0-	\$ 1,017	\$ 850	\$ 850
9.	Inflation multiplier _____				
	Mid-point of construction (mo./yr.) _____				
	Total with inflation (1 through 9)	\$ -0-	\$ 1,017	\$ 850	\$ 850

TOTAL PROJECT COSTS (all capital costs, all years) \$ 2,717

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-4

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ 267
State funding received	\$ 267
Federal funding received	\$ -0-
Local government funding received	\$ -0-
Private funding received	\$ -0-

For 1996 Session (F.Y. 1996-97)

State funding requested	\$ 1,017
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-

For 1998 Session (F.Y. 1998-99)

State Funding Estimate	\$ 850
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-

For 2000 Session (F.Y. 2000-01)

State Funding Estimate	\$ 850
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-

Total Project Costs (all years)	\$ 2,984
State funding requested (all years)	\$ 2,984
Federal funding (all years)	\$ -0-
Local government funding (all years)	\$ -0-
Private funding (all years)	\$ -0-

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ _____ Fund _____
 Bonds: \$ 1,017 Tax Exempt Taxable

STATE DEBT SERVICE PAYMENTS (Check all that apply):

General Fund % of total 100
 User Financing % of total _____
Source of funds _____

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-5

DEPARTMENT OF ADMINISTRATION ANALYSIS:

Projects of a utility nature have been determined to not require predesign. The Statewide Storage Facilities project covered by this request is not expected to present a predesign submittal but would require legislative review in accordance with M.S. 16B.335.

This request has been reviewed with an emphasis on cost planning, general scope of work, and schedule and is in general conformance with the capital budget requirements with the following observations:

1. Construction cost of \$71 per square foot appears high for scope of work described. Historical costs for unheated storage suggests a \$30 to \$40 per square foot range. Historical costs for heated storage suggests a \$35 to \$45 per square foot range.
2. Design costs (13%) are above the 6%-9% range for new construction.
3. Inflation was not included and should be calculated.

The agency is asked to review their project request in association with these comments and make appropriate amendments prior to legislative action on the bonding bill.

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend capital funds for this project.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	40
Safety Concerns	0/35/70/105	0
Customer Services/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	25
User and Non-State Financing	0-100	0
Asset Management	0/20/40/60	20
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	0
Total		155

	Predesign	Schematic Design	Design Devel.	Const. Doc.	Const.
Prior Funding:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Agency Request:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Governor's Recommendation:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

AGENCY: Natural Resources, Department of

PROJECT TITLE: State Park and Recreation Area Betterment Rehabilitation

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$2,000

STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$2,000

STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$2,000

LOCATION (CAMPUS, CITY, COUNTY): State Wide

AGENCY PRIORITY (for projects in the 1996 session only):

NB01 of 20 requests

1. PROJECT DESCRIPTION:

This request for State Park and Recreation Area Betterment Rehabilitation will provide \$2 million to initiate major rehabilitation of non-building facilities such as campsite improvements, trail surfacing, road repair and surfacing, parking area upgrading, and modification and upgrading of utility systems. Also included in this program are resource management improvements such as erosion control, lakeshore stabilization and prairie restoration.

Projects included in the F.Y. 1996-97 request are as follows:

(Note: Detailed project list is available)

- \$784 thousand for resource management projects in 25 state parks. These projects include old field restoration, tree planting, erosion control and prairie restoration. Long-term restoration will reduce maintenance costs.
- \$447 thousand for trail rehabilitation projects involving 50 miles of hiking, ski and horse trails. These projects will reduce safety hazards and operational costs.
- \$405 thousand for campground rehabilitation and development in 4 state parks. These projects will reduce resource degradation and eliminate safety problems as well as develop the campground at Mille Lacs Kathio State Park.

- \$364 thousand for road rehabilitation and bridge work throughout the entire park system. These projects will eliminate road hazards and reduce operating costs.

We feel that this amount of funding could be processed in a 2 year period given our engineering capabilities and the seasonal nature of the work.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

The State Park and Recreation Area water, timber and soil resources along with the recreational infrastructure such as campgrounds, picnic areas, trail systems, roads, dams and bridges must be preserved, and in some cases, rehabilitated to assure the future of the park system.

The state has a tremendous investment in the existing facilities. These facilities are used by more than 8 million visitors each year. Enabling legislation that created the park system directs the state to preserve parks for the use and enjoyment of future generations.

The state park system is made up of 66 parks and recreation areas. The projects included in this request are located in various parks across the state.

The Department's strategic plan report, *Directions for Natural Resources 1995*, outlines the major goals and strategies for achieving its mission and provides the framework for guiding budget investment decisions. This request supports the strategies in *Directions* and State Park Management Plans by addressing the demand for opportunities for outdoor recreation and the public safety needs of the visitors to our state park system.

DNR Directions: Build upon traditional natural resource management to provide products, services and benefits consistent with a commitment to ecosystem-based management.

DNR Directions: Concentrate efforts in ecosystems of special value or concern, or experiencing the greatest pressure from human activity.

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

The long-range goal is to initiate and complete the identified \$20 million in resource and rehabilitation projects over the next 10 years. This request is for the first phase of work. The very nature of these projects preclude the work being accomplished primarily in the spring and fall during low public use periods.

These rehabilitation projects will result in future operational savings by improving efficiencies of operation. However, it will not result in a reduction to the agency's operating budget. Projects initiated now will also eliminate more costly repairs in the future.

3. PREVIOUS PROJECT FUNDING:

The following appropriations were for the design and construction of state park betterment non-building projects.

M.L. 1993, Ch. 172, Sec. 14	\$3,000	trust fund
M.L. 1994, Ch. 632, Sec. 6	\$650	trust fund
M.L. 1994, Ch. 643, Sec. 23	\$1,250	bonding
M.L. 1995, Ch. 220, Sec. 19	\$1,400	trust fund

In addition, the following appropriations were used for state park betterment, both building and non-building:

M.L. 1985, 1SS, Ch. 15,	\$1,272	bonding
M.L. 1987, Ch. 400,	\$3,800	bonding
M.L. 1990, Ch. 610,	\$3,000	bonding
M.L. 1991, Ch. 254,	\$2,650	bonding
M.L. 1991, Ch. 254,	\$750	bonding
M.L. 1992, Ch. 558,	\$2,751	bonding
M.L. 1994, Ch. 643,	\$2,000	bonding
M.L. 1994, Ch. 643,	\$1,000	bonding

4. OTHER CONSIDERATIONS (OPTIONAL):

We must continue to upgrade existing facilities. Delays in rehabilitation of these facilities means much higher future costs.

Source: The goals are outlined in each State Park Management Plan, the Division of Parks Capital Improvement Plan and the DNR's Directions 1995 Strategic Plan.

The projects scheduled for completion with this funding are prioritized through a rating system involving field and regional management. Projects as prioritized illustrate the park system's most urgent needs.

The Division of Parks and Recreation currently budgets approximately \$300 thousand annually in operation dollars for major building and non-building structure rehabilitation. This funding does not begin to address the system needs. If \$2 million were available annually for building rehabilitation, long-term needs could be met. Projects in this request are for the first biennium.

5. PROJECT CONTACT PERSON, TITLE, AND PHONE:

John Strohkirch, Development and Real Estate Manager, MN State Parks, 612-296-8289.

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-2

TYPE OF REQUEST (Check all that apply):

Acquisition of State Assets
 Development of State Assets
 Maintenance of State Assets
 Grants to Local Governments
 Loans to Local Governments
 Other Grants (specify):

PROJECT CHARACTERISTICS (Check all that apply):

Health and Safety
 Enhancement of Existing Programs/Services
 Expansion of Existing Program/Services
 Provision of New Program/Services
 Other (specify): Restoration of critical prairie and woodland resources

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ Fund _____
 Bonds: \$ 2,000 Tax Exempt Taxable _____

STATE DEBT SERVICE PAYMENTS (Check all that apply):

General Fund % of total 100
 User Financing % of total _____

Source of funds _____

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ 23,523
State funding received	\$ 23,523
Federal funding received	\$ -0-
Local government funding received	\$ -0-
Private funding received	\$ -0-

For 1996 Session (F.Y. 1996-97)

State funding requested	\$ 2,000
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-

For 1998 Session (F.Y. 1998-99)

State funding estimate	\$ 2,000
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-

For 2000 Session (F.Y. 2000-01)

State funding estimate	\$ 2,000
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-

Total Project Costs (all years) \$ 29,523

State funding requested(all years)	\$ 29,523
Federal funding (all years)	\$ -0-
Local government funding (all years)	\$ -0-
Private funding (all years)	\$ -0-

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

The 1995 Legislature appropriated \$4.27 million from the environmental trust fund for state park and recreation area acquisition, betterment, development and rehab.

GOVERNOR'S RECOMMENDATION:

The Governor recommends general obligation bonding of \$1.5 million for this project. Also included are budget planning estimates of \$1.5 million in 1998 and \$1.5 million in 2000.

The Governor has considered appropriations made in 1995 and recognizes the potential for future LCMR recommended funding in 1996-97.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	120
Safety Concerns	0/35/70/105	35
Customer Services/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	0
Asset Management	0/20/40/60	60
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	50
Total		470

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

AGENCY: Natural Resources, Department of
PROJECT TITLE: Well Sealing and Inventory on DNR Land

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$700
STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$900
STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$0-
LOCATION (CAMPUS, CITY, COUNTY): Statewide on DNR Land

AGENCY PRIORITY (for projects in the 1996 session only):

NB02 of 20 requests

1. PROJECT DESCRIPTION:

This request will provide \$424 thousand in capital funds for well sealing and \$276 thousand from the General Fund for 3 positions and related expenses for the second biennium of a 6-year plan to seal all inactive wells on state land. In the 1996-97 biennium an additional 600 sites will be inspected and 350-450 wells sealed at a total cost of \$700 thousand. In the 1998-99 biennium the remaining 500 sites will be inspected and the remaining 500-600 inactive wells sealed to complete the project for a biennial cost of \$900 thousand.

It is estimated that over a period of 3 biennia all known inactive wells will be sealed and unknown wells will also be located and properly sealed. The 3 staff positions will conduct site searches, do the contract administration and well sealing inspections. The biennial breakdown is as follows:

F.Y. 96-97

- 450 wells sealed (@ approx. \$1/well) = \$424
- 3 staff (3 Hyro. 1's each @ \$36/yr. w/fringe) = \$216
- expenses and other support (vehicles, travel, equip.) = \$60

Total = \$700

F.Y. 98-99

- 600 wells sealed (@ approx. \$1/well) = \$624
- 3 staff (3 Hyro. 1's each @ \$36/yr. w/fringe) = \$216
- expenses and other support (vehicles, travel, equip.) = \$60

Total = \$900

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

In M.S. 103I the commissioner is directed to inventory wells on state property (of which the department owns about 95%), and to prepare a plan and an appropriation request to seal the inactive wells. This program addresses land and wells acquired prior to the 1989 legislative mandate to seal inactive wells on state owned land. Wells on recently acquired land are sealed as part of the development process.

An inventory was completed on department land during the 1992-93 biennium. At that time 250 inactive wells were identified as needing to be sealed. The inventory also documented 941 former dwelling sites that need to be searched for wells not properly sealed when the buildings were razed. It was estimated that a search of these acquired lands and all other sites statewide will result in identifying another 1,000 wells to be sealed.

As of September 1995, 94 wells have been sealed or are under contract to be sealed. In addition, site inspections have been completed on 240 sites, finding 9 more inactive wells. By the end of the current biennium 150-200 wells will have been sealed and 350-400 sites will have been searched.

The Department's strategic plan report, *Directions for Natural Resources 1995*, outlines the major goals and strategies for achieving its mission and provides the framework for guiding budget investment decisions. Each of the goals in *Directions* include strategies or approaches to pursue to fulfill our mission. The capital budget plan identifies the *Directions* strategies where capital investment can contribute to achieving our goals. The plan then identifies priority actions for the capital budget.

The well sealing program is mandated by 1989 groundwater legislation and will directly address public health and safety. Legislative policy in M.S. 103H emphasizes prevention of groundwater contamination. Specifically, M.S. 103I requires owners of unused wells to seal them to prevent groundwater contamination.

DNR has launched a departmentwide effort to locate and seal unused wells.

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

Until those wells are sealed, the department is not in compliance with state law. The systematic search allows for highest priority wells to be sealed first (those with greatest potential to introduce contamination into the subsurface). By collaborating to get the wells located and sealed, the department can share expertise between units and do a better job with fewer staff.

3. PREVIOUS PROJECT FUNDING:

M.L. 1992, Chapter 558	\$250	bonding
M.L. 1994, Chapter 643	\$224	bonding
M.L. 1994, Chapter 643	\$276	General Fund

4. OTHER CONSIDERATIONS (OPTIONAL):

If no further action is taken, the department may be liable for costs of groundwater cleanup; we are currently not in compliance with state law or rules until all inactive wells on department land are properly sealed. We could be exposed to much greater costs by not continuing to locate and seal these wells.

5. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Sarah Tufford, Administrator, Ground Water, Climatology and Water Information Systems Section, Division of Waters.
Phone: 612-297-2431.

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-2

TYPE OF REQUEST (Check all that apply):

- Acquisition of State Assets
- Development of State Assets
- Maintenance of State Assets
- Grants to Local Governments
- Loans to Local Governments
- Other Grants (specify):

PROJECT CHARACTERISTICS (Check all that apply):

- Health and Safety
- Enhancement of Existing Programs/Services
- Expansion of Existing Program/Services
- Provision of New Program/Services
- Other (specify): Requirement of state law, we are not in compliance

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

- Cash: \$ 276 Fund General
- Bonds: \$ 424 Tax Exempt Taxable _____

STATE DEBT SERVICE PAYMENTS (Check all that apply):

- General Fund % of total 100
- User Financing % of total _____
- Source of funds _____

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ 750
State funding received	\$ 750
Federal funding received	\$ -0-
Local government funding received	\$ -0-
Private funding received	\$ -0-
For 1996 Session (F.Y. 1996-97)	
State funding requested	\$ 700
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-
For 1998 Session (F.Y. 1998-99)	
State funding estimate	\$ 900
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-
For 2000 Session (F.Y. 2000-01)	
State funding estimate	\$ -0-
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-
Total Project Costs (all years)	\$ 2,350
State funding requested(all years)	\$ 2,350
Federal funding (all years)	\$ -0-
Local government funding (all years)	\$ -0-
Private funding (all years)	\$ -0-

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-3

DEPARTMENT OF ADMINISTRATION ANALYSIS:

N/A

DEPARTMENT OF FINANCE ANALYSIS:

The state has a legal liability to seal known abandoned wells on state property. This request includes personnel costs to be funded from a source other than bonding.

GOVERNOR'S RECOMMENDATION:

The Governor recommends \$224 thousand in funds from bonding, plus \$276 thousand from the General Fund for personnel and related supply and travel expenses. Also included are preliminary recommendations of \$500 thousand in 1998 and \$500 thousand in 2000.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	120
Safety Concerns	0/35/70/105	70
Customer Services/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	0
Asset Management	0/20/40/60	20
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	50
Total		465

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

AGENCY: Natural Resources, Department of
PROJECT TITLE: Trail Rehabilitation and Adaptation

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$500
STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$1,000
STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$1,000
LOCATION (CAMPUS, CITY, COUNTY): Statewide

AGENCY PRIORITY (for projects in the 1996 session only):

NB03 of 20 requests

1. PROJECT DESCRIPTION:

Project includes rehabilitation of aging portions of 3 state trails:

Luce Line State Trail

■ rehabilitate bridges and culverts, horse trail, and erosion control on the existing trail between the cities of Plymouth and Winsted, approximately 28 miles	\$350
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Douglas State Trail

■ rehabilitate a large slump area in the trail	\$70
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North Shore Trail

■ rehabilitate the existing trail involving widening and straightening corners	\$80
--	------

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

The Department's strategic plan report, *Directions for Natural Resources 1995*, outlines the major goals and strategies for achieving its mission and provides the framework for guiding budget investment decisions. This request supports the strategies in *Directions* by addressing the demand for opportunities for outdoor recreation.

DNR Directions: Build upon traditional natural resource management to provide products, services and benefits consistent with a commitment to ecosystem-based management.

DNR Directions: Create opportunities that engage citizens and public officials in education, discussion, and decision-making on natural resources issues and ecosystem-based management.

DNR Directions: Monitor ecosystems to measure changes in order to guide management.

All trails included in this proposal are supporting significant recreational use and contribute to the mix of recreational opportunities statewide.

The Luce Line State Trail, located in the western metropolitan area, supports continuous, year-round use. The use pattern is week-long rather than concentrated on weekends (only 32%). Between May 20 and September 8, 1990 use was estimated at 66,300. No winter use figures exist, but the trail supports both snowmobiling and cross-country skiing.

The Douglas State Trail near Rochester draws an estimated 53,330 people during the summer. The 1989 survey shows this is a 13% increase over the summer of 1987. The average trail user was 34 miles away from home and 64% of the visits were during the week.

The North Shore State Trail (a year-round trail serving snowmobiles, hikers, mountain bikers, and horseback riders) is used by 15 to 20 thousand snowmobilers per year. It is a destination trail in that users travel from southern Minnesota, Iowa, and Wisconsin. Bridges are needed for safety and user enjoyment. Trail bridges built in the late 1970s and early 1980s are now in need of repair and improvement to handle today's larger grooming machines and faster snowmobiles.

In each case, this appropriation would be used to correct safety problems and thus protect the state from tort liability. In addition, the state benefits when users enjoy recreation experiences, which results in repeat visitors, improved tourism economies, and a more dynamic recreation industry. If these facilities are not updated, future use would likely decrease.

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

Also, in most cases delaying rehabilitation work would result in higher costs to the state for the same projects because of rising construction costs or heavily deteriorated facilities.

The operating budget would not increase as a result of this proposal.

3. PREVIOUS PROJECT FUNDING:

A total of \$1.35 million was appropriated from the bond fund in M.L. 1994, Ch. 643, for trail rehabilitation on the Willard Munger Trail, Luce Line Trail, Sakatah Singing Hills Trail, and the Northshore Trail.

4. OTHER CONSIDERATIONS (OPTIONAL):

The state has already developed the trails included in this proposal. They are open for use but have developed problems that are not within normal maintenance and operations. Therefore, special appropriations for large scale rehabilitations are needed or they would not take place.

5. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Thomas R. Danger, Supervisor, Trail Recreation Section, (612) 296-4782

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-2

TYPE OF REQUEST (Check all that apply):

Acquisition of State Assets
 Development of State Assets
 Maintenance of State Assets
 Grants to Local Governments
 Loans to Local Governments
 Other Grants (specify): _____

PROJECT CHARACTERISTICS (Check all that apply):

Health and Safety
 Enhancement of Existing Programs/Services
 Expansion of Existing Program/Services
 Provision of New Program/Services
 Other (specify): _____

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ _____ Fund _____
 Bonds: \$ 500 Tax Exempt Taxable _____

STATE DEBT SERVICE PAYMENTS (Check all that apply):

General Fund % of total 100
 User Financing % of total _____

Source of funds _____

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ 1,550
State funding received	\$ 1,350
Federal funding received	\$ 200
Local government funding received	\$ -0-
Private funding received	\$ -0-
For 1996 Session (F.Y. 1996-97)	
State funding requested	\$ 500
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-
For 1998 Session (F.Y. 1998-99)	
State funding estimate	\$ 1,000
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-
For 2000 Session (F.Y. 2000-01)	
State funding estimate	\$ 1,000
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-
Total Project Costs (all years)	
State funding requested(all years)	\$ 3,850
Federal funding (all years)	\$ 200
Local government funding (all years)	\$ -0-
Private funding (all years)	\$ -0-

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

The Governor and the legislature may wish to consider the snowmobile account in the Natural Resources Fund as the source of debt service payments on the North Shore Trail portion of this request.

GOVERNOR'S RECOMMENDATION:

The Governor recommends \$500 thousand from bonding for this request. Governor further recommends that the snowmobile account in the Natural Resources Fund pay the debt service on the \$80 thousand North Shore Trail portion of this request. Also included are preliminary recommendations of \$500 thousand in each of 1998 and 2000.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	120
Safety Concerns	0/35/70/105	35
Customer Services/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	0
Asset Management	0/20/40/60	60
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	50
Total		470

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

AGENCY: Natural Resources, Department of (DNR)
PROJECT TITLE: Dam Repair/Reconstruction/Removal

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$2,200
STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$2,000
STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$2,000
LOCATION (CAMPUS, CITY, COUNTY): Statewide

AGENCY PRIORITY (for projects in the 1996 session only):

NB04 of 20 requests

1. PROJECT DESCRIPTION:

The commissioner is directed in M.S. 103G to ensure the safety of dams. The statute also provides for a state matching grant program to local governments that own dams. There are over 600 dams owned by the state, cities, counties, and watershed districts. Most of these dams are over 50 years old and require ongoing maintenance and repair to preserve their structural integrity and prevent public safety hazards. Emergency repairs must be done when partial or complete dam failures occur in order to protect public safety and prevent additional property damages. This request includes funding for emergency repairs, 5 small projects and 2 large projects.

A. Emergency Dam Repair (\$220 thousand)

Ten percent of the amount requested for the 1996 session would be reserved for emergency work. DNR must respond to emergencies immediately to prevent failures and protect adjoining properties when partial failures occur. Any emergency funds remaining when the legislature completes action on the 1998 bonding bill would be used to begin work on additional high priority projects.

B. Small Dam Repairs (\$620 thousand)

This would provide funds for 5 small dam repair projects of less than \$250 thousand each. These dams maintain lake levels or control

reservoirs on streams. Projects planned for the first biennium include the Lower Trelipe Lake dam repair, Appleton dam removal, Mille Lacs Lake dam repair, Straight Lake dam repair and Lanesboro dam repair. City governments own the dams at Appleton and Lanesboro; the other dams are owned by the DNR.

- C. Zumbro Lake Dam Repair (\$960 thousand grant)
This will fund a grant for major repairs to a large high hazard dam owned by the Rochester Public Utility. Total project costs are estimated to be just over \$2 million. The dam generates 2,300 kilowatts of electricity and impounds an important multi-purpose reservoir. A concrete overlay is needed to repair concrete deterioration on the spillway. The dam is located on the South Fork of the Zumbro River in southwestern Wabasha County.
- D. Bylesby Lake Dam Repair (\$400 thousand grant)
This will fund a grant for a repair project to install steel crest gates on a large high hazard dam, replacing wooden flashboards on the crest of the dam spillway. This would provide safer and more efficient dam operation. Existing flash-boards are subject to sudden failure during floods that threaten downstream residents and properties. The dam is located on the Cannon River near Cannon Falls and is owned by Dakota and Goodhue Counties. The counties would provide \$400 thousand in matching funds.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

This request is part of a long-term on-going program to maintain Minnesota's public dams, which are a vital part of the state's public infrastructure. These dams control water levels on many significant lakes and rivers providing benefits to tourism, recreation, fishing, wildlife, water supply and the state's economy. For example, Mille Lacs, Minnetonka and Ottertail Lake all depend on dams to maintain their water levels and consequently their surrounding property values. Proper maintenance prevents dam failures and reduces long-term repair costs. Funding is also needed to remove dams in cases where they no longer provide significant public

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

benefits and rehabilitation would not be a wise expenditure of funds. Existing general operating budgets do not include funding to maintain our infrastructure of public dams.

The DNR's strategic plan report, *Directions for Natural Resources 1995*, outlines the major goals and strategies for achieving its mission and provides the framework for guiding budget investment decisions. This request supports the strategies in *Directions* by addressing public safety needs, developing partnerships with local governments and the demand for opportunities for outdoor recreation.

DNR Directions: Build upon traditional natural resource management to provide products, services, and benefits consistent with a commitment to ecosystem-based management.

DNR Directions: Use interdisciplinary teams and partner with citizens, local governments, agencies and other organizations to develop and implement shared management goals.

3. PREVIOUS PROJECT FUNDING:

Repairing and maintaining Minnesota's infrastructure of 600 public dams is a continuous effort that is necessary to maintain lake levels. A total of \$13.8 million has been provided to the DNR under the bonding program from 1979 through 1995 for dam repair. This funding has resulted in the repair of 59 dams and removal of 6 dams. There was a \$433 thousand grant for Byllesby Lake Dam (M.L. 1979, Chap. 300) and a \$125 thousand grant for Zumbro Lake Dam (M.L. of 1983, Chap. 344). These funds were used to do partial repairs and did not correct all the structural deficiencies. The most recent appropriation was \$4.1 million in M.L. 1994, Chap. 643 (\$3.1 million of this amount was for the Coon Rapids dam), and \$200 thousand in M.L. 1995, ISS Chap. 2.

4. OTHER CONSIDERATIONS (OPTIONAL):

A consistent, long-term funding approach is needed to keep public dams from deteriorating. The magnitude of long-term funding needed for dam maintenance is about \$2 million per biennium for the foreseeable future.

Long-term needs are outlined below.

**50-YEAR FUNDING NEEDS FOR MAINTENANCE
OF PUBLICLY OWNED DAMS (\$000'S)**

State Owned Dams

35 projects at \$400 =	\$ 14,000
320 projects at \$50 =	16,000
20 removals at \$200 =	4,000
15 emergencies at \$200 =	<u>3,000</u>
Subtotal =	\$ 37,000

Locally Owned Dams (matching funds)

20 projects at \$250 =	\$ 5,000
150 projects at \$40 =	6,000
*5 removals at \$200 =	1,000
10 emergencies at \$100 =	<u>1,000</u>
Subtotal =	\$ 13,000

Total =	\$ 50,000
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*100% state funding assumed

5. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Kent Lokkesmoe, Director
 Division of Waters
 (612) 296-4810

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont'd.)

Form F-2

Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

TYPE OF REQUEST (Check all that apply):

Acquisition of State Assets
 Development of State Assets
 Maintenance of State Assets
 Grants to Local Governments
 Loans to Local Governments
 Other Grants (specify):

PROJECT CHARACTERISTICS (Check all that apply):

Health and Safety
 Enhancement of Existing Programs/Services
 Expansion of Existing Program/Services
 Provision of New Program/Services
 Other (specify):

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ _____ Fund _____
 Bonds: \$ 2,200 Tax Exempt Taxable _____

STATE DEBT SERVICE PAYMENTS (Check all that apply):

General Fund % of total 100
 User Financing % of total _____

 Source of funds _____

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ 20,040
State funding received	\$ 13,600
Federal funding received	\$ -0-
Local government funding received	\$ 6,440
Private funding received	\$ -0-

For 1996 Session (F.Y. 1996-97)

State funding requested	\$ 2,200
Federal funding	\$ -0-
Local government funding	\$ 1,130
Private funding	\$ -0-

For 1998 Session (F.Y. 1998-99)

State funding estimate	\$ 2,000
Federal funding	\$ -0-
Local government funding	\$ 930
Private funding	\$ -0-

For 2000 Session (F.Y. 2000-01)

State funding estimate	\$ 2,000
Federal funding	\$ -0-
Local government funding	\$ 530
Private funding	\$ -0-

Total Project Costs (all years)	\$ 28,830
State funding requested(all years)	\$ 19,800
Federal funding (all years)	\$ -0-
Local government funding (all years)	\$ 9,030
Private funding (all years)	\$ -0-

**AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)**

Form F-3

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

GOVERNOR'S RECOMMENDATION:

The Governor recommends \$1.2 million in capital funds for dam repair, reconstruction and removal. Also included are preliminary recommendations of \$1.2 million in each of 1998 and 2000.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	120
Safety Concerns	0/35/70/105	70
Customer Services/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	35
Asset Management	0/20/40/60	40
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	50
Total		520

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

AGENCY: Natural Resources, Department of
PROJECT TITLE: Flood Hazard Mitigation Grants

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$3,960
STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$4,000
STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$4,000
LOCATION (CAMPUS, CITY, COUNTY): Statewide

AGENCY PRIORITY (for projects in the 1996 session only):

NB05 of 20 requests

1. PROJECT DESCRIPTION:

This request will provide \$3.96 million in state cost-sharing grants to local government units under the Flood Hazard Mitigation Grant Assistance Program. This program allows the department to make cost-sharing grants of up to 50% of project costs to study and implement measures that will reduce or eliminate flood damages in the future. This request includes funding for the detailed design, engineering and environmental analysis of future projects that will be proposed for capital funding; and 11 projects including floodwater impoundments, stormwater detention projects, a levee and an ice control structure. These projects will help reduce the economic, social and environmental impacts of severe flooding. The projects to be funded under this proposal are:

■ Detailed Design, Engineering and Environmental Analysis

This includes funding for the design, engineering and environmental analysis of projects to be proposed for capital funding in future years. This funding will help to insure that projects will meet environmental and permitting requirements before funds are requested for project construction. Also, these funds will be used for hazard mitigation projects following emergency flooding situations. The state's share for these studies, analysis and project is estimated to be \$300 thousand.

- **City of Rochester - Mayo Run Stormwater Detention**
The Mayo Run watershed is a developing area in Rochester that has a history of significant flooding problems. The consulting engineers recommended building a series of stormwater retention ponds. All phases would cost about \$2 million to implement and will protect 1,568 acres of existing and planned development. Funds in this request are for Phase I. The state's share will be \$310 thousand.
- **City of Montevideo - Levee Improvements**
Montevideo has been protected by an emergency levee since the 1960's. The city needs to improve the levee to better protect and reduce the need for flood insurance and floodplain management regulations in parts of the city. The state's share will be \$75 thousand.
- **City of Cook - Floodwater Impoundment**
Cook needs to impound floodwater upstream from the city to reduce flood elevations on the Little Fork River. The current proposal calls for raising County Road 600 and replacing a bridge with box culverts to back up and impound floodwater. The state's share will be \$250 thousand.
- **Area II Flood Control - Roadside Stormwater Detention**
Area II wishes to construct 10 roadside detention structures by raising roads and downsizing culverts. FEMA recommended more structures of this type following the 1993 flood. The structures prevent damages to roads, ditches and cropland downstream from the detention structures. The state's share will be \$250 thousand.
- **Middle River Snake River Watershed District - Angus Oslo #4**
This floodwater impoundment project is an off-channel storage site on 457 acres in Polk County. The total storage capacity is 1,870 acre-feet. The state's share will be \$265 thousand.
- **Red Lake Watershed District - Parnell Impoundment**
This is a combination floodwater storage and wildlife management area in Polk County. This is an off channel project with 3 pools that can be operated independently for wildlife or flood control purposes. Storage capacity is 1,700 acre-feet. The state's share will be \$600 thousand.

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

- Wild Rice Watershed District - Marsh Creek Site 6 Impoundment
This project is located on Marsh Creek in Mahnomen County. It is an on-channel project that will inundate 225 acres and store 1,930 acre-feet during flood events. The state's share will be \$390 thousand.
- Roseau Watershed District - Norland Impoundment
This is a combination floodwater retention and wetland restoration project created by constructing dikes and inlet and outlet structures. The storage capacity will be 3,755 acre-feet. The state's share will be \$800 thousand.
- Middle River Snake River Watershed District - March Impoundment #2
This is an off-channel project in Polk County that will be developed by constructing dikes on all sides of the impoundment and will store floodwater from the Snake River. The impoundment will have 1,360 acre-feet of storage. The state's share will be \$310 thousand.
- Wild Rice Watershed District - Ice Control Structure
This project involves the construction of a cable across the Wild Rice River at the Heiberg Dam to reduce damages caused by ice. If the project is successful the technique may be used elsewhere. The state's share will be \$45 thousand.
- Two Rivers Watershed District - Klondike Impoundments
These are off-channel floodwater storage impoundments in Kittson County created by constructing dikes to utilize almost 1,500 acres for floodwater storage. The projects will store about 5,700 acre-feet of flood water. The state's share will be \$165 thousand.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

The flooding across much of Minnesota in 1993 reminded everyone that flooding is still a severe problem. In 1979 it was estimated that average annual flood damages in Minnesota were \$60-70 million. The 1993 flood alone is estimated to have caused almost \$500 million in damages in

Minnesota. It will never be possible to eliminate all flood damages in the state but there are many areas where flood damages can be reduced or eliminated. The Corps of Engineers (COE) developed some figures on the damages prevented by completed COE flood control projects during the 1993 floods: \$2.8 million in Henderson (state assisted Henderson with the non-federal share of project costs), \$63 million in Mankato, \$330 thousand in South St. Paul and \$4.6 million in St. Paul. This was over \$70 million in damages prevented in just four communities.

The floods of 1993 demonstrated that flood control projects can be effective where they are properly implemented and maintained. The 1993 floods also demonstrated that non-structural measures such as acquisition/relocation and floodplain zoning can be effective and an attractive alternative. Approximately 150 structures have been acquired since the flood of 1993. Significant interest in the Flood Hazard Mitigation Grant Assistance Program was generated by the 1993 flood because many projects implemented in the past did help to prevent flood damages. Homes that were constructed according to the floodplain zoning requirements typically sustained little if any damage.

Flood damage remains high because as many as 17 thousand homes and businesses that were built before floodplain zoning regulations were in place. Many bridges, culverts and stormwater systems built before the mid-1970's were designed to handle 10, 20 or 50 year floods - not the big floods that cause so much damage. Cropland damage will always be high from summer floods. There is less federal assistance for flood control projects. Federal budgets have been reduced, priorities have changed, project planning and implementation takes a long time and local interests must pay a larger share of the cost.

The state has established 2 excellent programs to help prevent flood damages. In 1969 the Floodplain Management Act was passed (M.S. 103F). This law requires the department to help local governments administer and enforce local floodplain zoning ordinances. These ordinances require that new homes and businesses be protected from the 100-year flood. This is usually accomplished by elevating the structure on fill so that

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

flood water from these large floods can not come into contact with the structure. This program has been effective where it is properly administered. Local governments should be commended for properly administering these ordinances.

In 1987 the Flood Hazard Mitigation Grant Assistance Program was established in M.S. 103F.161. This program allows the department to make cost-sharing grants of up to 50% of project costs to study and implement measures that will reduce or eliminate flood damages in the future. The program is divided into 2 parts - small grants and large grants. Small grants under \$75 thousand are generally used for studies that lead to projects or for implementing very small projects. The department currently has an appropriation of \$155 thousand per year for small grants. Large grants are generally for amounts over \$75 thousand and are used to implement flood damage reduction projects. Proposals for large grants like this one are submitted by the department to the governor and the legislature for approval.

The Department's strategic plan, *Directions for Natural Resources 1995*, outlines the major goals and strategies for achieving its mission and provides the framework for guiding budget investment decisions. This request supports the strategies in *Directions* by addressing public safety needs related to flooding and developing partnerships with local governments.

DNR Directions: Build upon traditional natural resources management to provide products, services and benefits consistent with a commitment to ecosystem-based management.

DNR Directions: Use interdisciplinary teams and partner with citizens, local government agencies and other organizations to develop and implement shared management goals.

The completion of the proposed projects will alleviate and in some cases eliminate flooding in the areas where they are implemented. The financing options for these projects are limited. The option is that local units pay all

of the cost to implement the flood control projects. This proposal assumes that the state should provide financial assistance up to 50% of the project cost to alleviate the cost burden on the local communities.

3. PREVIOUS PROJECT FUNDING:

Since 1987 over 100 grants totalling \$9.5 million in capital funds and \$2 million from the general fund have been made available to local governments to conduct flood control studies, to acquire flood-prone homes, to construct dams and impoundments, to build levees, to improve stormwater management systems, to help pay for the non-federal share of federal flood control projects and to help cost-share federal hazard mitigation activities following presidentially declared disasters.

4. OTHER CONSIDERATIONS (OPTIONAL):

The consequence of taking no action is that projects may be delayed several years or may not be completed at all. This means that the current level of flood damages in these areas would continue for some time. Local government units are suffering from cutbacks in state and federal funds. Some level of state assistance is needed to see that these projects proceed in an expeditious manner.

Grant criteria identified in M.S. 103F.161 include: other flood damage reduction activities that have been implemented, whether the project can be implemented, whether it would reduce flood damages, whether the project area is flood prone, if the project is cost effective, whether the project has public support; whether the project will have adverse environmental impact, if the local government is effectively administering a floodplain zoning ordinance, whether the project is part of a city or county local water plan, whether the community has the capability to implement the project without any state assistance, and the total cost of the project.

It is estimated that \$30 million in flood hazard mitigation grants over the next 15 years would be needed to significantly reduce the average annual flood damages. Funding at this level is needed to meet our overall goal of

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

eliminating riverine flood damages to homes and businesses and reducing rural damages. Funding at a lower level lengthens the time needed to meet the goal.

The most critical need, however, is to have a consistent level of funding so that the department and local governments can plan for and schedule flood damage reduction projects. We will always have a certain amount of agricultural, road, culvert, bridge, erosion and business disruption damages as a result of flooding. Over time, however, the flood damage mitigation projects will significantly reduce damage to homes and businesses. Some people will choose to live and work near rivers where floods naturally occur but proper floodplain zoning and flood insurance should reduce the economic impacts of these activities.

5. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Joe Gibson, Supervisor- Env. Rev., Planning & Coordination 296-2773

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-2

TYPE OF REQUEST (Check all that apply):

Acquisition of State Assets
 Development of State Assets
 Maintenance of State Assets
 Grants to Local Governments
 Loans to Local Governments
 Other Grants (specify):

PROJECT CHARACTERISTICS (Check all that apply):

Health and Safety
 Enhancement of Existing Programs/Services
 Expansion of Existing Program/Services
 Provision of New Program/Services
 Other (specify):

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ _____ Fund _____
 Bonds: \$3,960 Tax Exempt Taxable _____

STATE DEBT SERVICE PAYMENTS (Check all that apply):

General Fund % of total 100
 User Financing % of total _____

 Source of funds _____

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ 69,933
State funding received	\$ 9,532
Federal funding received	\$ 45,303
Local government funding received	\$ 15,098
Private funding received	\$ -0-
For 1996 Session (F.Y. 1996-97)	
State funding requested	\$ 3,960
Federal funding	\$ -0-
Local government funding	\$ 3,960
Private funding	\$ -0-
For 1998 Session (F.Y. 1998-99)	
State funding estimate	\$ 4,000
Federal funding	\$ -0-
Local government funding	\$ 4,000
Private funding	\$ -0-
For 2000 Session (F.Y. 2000-01)	
State funding estimate	\$ 4,000
Federal funding	\$ -0-
Local government funding	\$ 4,000
Private funding	\$ -0-
Total Project Costs (all years)	
State funding requested(all years)	\$ 21,492
Federal funding (all years)	\$ 45,303
Local government funding (all years)	\$ 27,058
Private funding (all years)	\$ -0-

**AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)**

Form F-3

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

GOVERNOR'S RECOMMENDATION:

The Governor recommends general obligation bonding of \$2.5 million for this project. Also included are budget planning estimates of \$2.5 million in 1998 and \$2.5 million in 2000.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	80
Safety Concerns	0/35/70/105	35
Customer Services/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	50
Asset Management	0/20/40/60	0
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	50
Total		420

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

AGENCY: Natural Resources, Department of
PROJECT TITLE: Forestry Roads and Bridges

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$1,720

STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$1,540

STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$1,500

LOCATION (CAMPUS, CITY, COUNTY): Statewide

AGENCY PRIORITY (for projects in the 1996 session only):

NB06 of 20 requests

1. PROJECT DESCRIPTION:

Funding this request will replace 4 of the approximately 60 bridges in the state forest road system, and reconstruct several miles of existing forest roads to safely meet current and projected use and load levels. The project will also construct several miles of new forest road to provide critical access to state forest lands for resource management and recreation. The total request for the 1996-97 biennium is \$1.72 million and includes the following components.

- \$940 thousand to reconstruct 72 miles of state forest road (primarily Class 3 and 4);
- \$230 thousand to resurface 34 miles of state forest road (primarily Class 3 and 4);
- \$120 thousand to replace 4 bridges on state forest roads;
- \$410 thousand to crush 120 thousand yards of gravel and to rehabilitate a gravel pit.
- \$20 thousand to construct approach to highway and close a gravel pit.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

The commissioner is directed in M.S. 89.002 to provide a system of forest roads and trails that provides access to state forest land and other forest lands under the commissioner's authority. The system must permit the commissioner to manage, protect, and develop those lands and their forest resources consistent with forest resource policies, and to meet the demands for forest resources.

Forestry maintains 2,064 miles of roads that serve the 4.6 million acres of forest administered lands. These roads also serve several million acres of county, federal and private forest lands. The system of gravel roads provides access to the state's forest resources and supports two of the state's largest industries: forest products and tourism. In a recent study of the traffic on state forest roads in Minnesota, recreational and other local use of these roads was shown to be approximately 97% of the total traffic.

The department's strategic plan report, *Directions for Natural Resources, 1995*, outlines the major goals and strategies for achieving its mission and provides the framework for guiding budget investment decisions. This request supports the strategies in *Directions* and the Minnesota Forest Resource Plan by addressing the demand for opportunities for outdoor recreation and the need for a functional forest road system for timber harvesting and transport.

DNR Directions: Implement ecosystem-based approaches that integrate ecological, social, cultural and economic values into resources management.

DNR Directions: Advocate economic, ecological, and social policies that promote the sustainability of ecosystems.

DNR Directions: Build upon traditional natural resource management to provide products, services, and benefits consistent with a commitment to ecosystem-based management.

Minnesota Forest Resources Plan: Identify, develop, and maintain a safe, efficient forest transportation system that provides access to protect,

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

manage, and use Minnesota's forest resources.

The existing state forest road system is a capital asset worth more than \$10 million. Regular maintenance and resurfacing reduces the need for costly reconstruction in the future. Funding is needed to supplement dedicated gas tax dollars and other annual appropriations for critical rehabilitation of portions of the state forest road system, and major bridge repair to bring facilities up to required use and safety standards.

State forest roads provide a strategic link between our forest resources and the public transportation network. While the state forest roads are used for resource management and hauling forest products, 95% of their use is for recreation.

The Norris Ditch, Valley River Road, Haugen Ditch, and Townline Road projects are all designed to replace substandard culverts or bridges that are deteriorating and are in violation of transportation standards for weight and safety. If these projects are not completed, it may be necessary to close the roads.

Nine reconstruction projects are scheduled to bring roads into compliance with current width, site distance and safety standards. Most of these roads are narrow and were not designed for the size and weight of current semi-trucks and logging equipment. In most cases the roads are not wide enough for a truck and car to safely meet and pass. Also, reconstruction will bring the roads up to standard with water quality and wetland best management practices.

Seven resurfacing projects are necessary to protect the state's investment in these roads and to prevent deterioration of the subgrade that can cause soft spots. Soft spots are a safety hazard, and if not repaired, often result in expensive reconstruction of the road bed.

The gravel pit closure project is necessary to eliminate steep banks that create a safety hazard. Work is being completed to meet current OSHA standards to properly close a gravel pit.

Forestry currently receives between \$260 and \$280 thousand each year in dedicated state gas tax dollars, all of which is needed for state forest road

maintenance. Currently, there are no general funds available for state forest road construction, reconstruction, major resurfacing, or bridge replacement. Federal BWCA (expired) and state bonding dollars have, in recent history, provided most of the funding for these activities.

3. PREVIOUS PROJECT FUNDING:

Appropriations during the last 10 years have been authorized from bonding for reconstruction, resurfacing, replacement or construction of forest roads and bridges throughout the state.

M.L. 1987, Ch. 400	\$500	bonding
M.L. 1994, Ch. 643	\$300	bonding

4. OTHER CONSIDERATIONS (OPTIONAL):

Reinvest in Minnesota (RIM) program funding has been used to a very limited degree in past years for some forest road construction. However, use of RIM funding is limited to projects that clearly demonstrate a primary benefit for wildlife habitat management. RIM funded road construction projects are also usually minimal design and maintenance roads, and therefore unsuitable for recreational and general public use.

In the past, funding has also been sought from such sources as MVET and the motor vehicle license revenues. During the 1993 legislative session, the DNR requested funding from the Highway User Tax Distribution Fund to supplement dedicated gas tax dollars for increased state and county forest road maintenance and major bridge repair or replacement. The legislature, however, did not broaden the source of funding.

Alternatives to this request include:

- Increased road closures or use restrictions to reduce the damages that occur on forest roads. Closing roads during fall and spring seasons may be necessary in some locations to protect the road structure.
- Limiting load weights during some periods to reduce maintenance costs and extend the reconstruction schedule.

**AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)**

The public's demand to use the roads for commuting, pleasure driving, berry picking, hunting and other recreational uses is increasing. Even so, road restrictions may need to be imposed.

If this request is not funded, access for forest resource management will also be affected. The volume and value of wood the DNR is able to sell may be reduced. Forest industry growth has accentuated the need for a functional forest road system capable of handling increased use for timber harvesting and transport.

Resurfacing is scheduled on a 15 year rotation due to the nature of the subgrade materials on most of the road system. Postponement of this activity by 2 years will lead to a 30% increase in costs and a delay of 5 years will double the cost due to increased deterioration of the roads.

Reconstruction is projected on a 30 year basis. Postponement of 2 years will not substantially effect this cost but 5 years will increase the cost 20 to 30%. An 8 to 10 year delay would increase the costs by an estimated 60%

Deferral of bridge replacement and road reconstruction will compromise the safety to all users.

5. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Barry Morse
State Land Management Supervisor
612-296-4482

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-2

TYPE OF REQUEST (Check all that apply):

Acquisition of State Assets
 Development of State Assets
 Maintenance of State Assets
 Grants to Local Governments
 Loans to Local Governments
 Other Grants (specify):

PROJECT CHARACTERISTICS (Check all that apply):

Health and Safety
 Enhancement of Existing Programs/Services
 Expansion of Existing Program/Services
 Provision of New Program/Services
 Other (specify): Maintain/protect previous capital investments

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ _____ Fund _____
 Bonds: \$1,720 Tax Exempt Taxable _____

STATE DEBT SERVICE PAYMENTS (Check all that apply):

General Fund % of total 100
 User Financing % of total _____

Source of funds _____

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ 800
State funding received	\$ -0-
Federal funding received	\$ -0-
Local government funding received	\$ -0-
Private funding received	\$ -0-
For 1996 Session (F.Y. 1996-97)	
State funding requested	\$ 1,720
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-
For 1998 Session (F.Y. 1998-99)	
State funding estimate	\$ 1,540
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-
For 2000 Session (F.Y. 2000-01)	
State funding estimate	\$ 1,500
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-
Total Project Costs (all years)	
State funding requested(all years)	\$ 5,560
Federal funding (all years)	\$ -0-
Local government funding (all years)	\$ -0-
Private funding (all years)	\$ -0-

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-3

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

GOVERNOR'S RECOMMENDATION:

The Governor recommends general obligation bonding of \$250 thousand for this project. Also included are budget planning estimates of \$250 thousand in 1998 and \$250 thousand in 2000.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	80
Safety Concerns	0/35/70/105	35
Customer Services/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	75
User and Non-State Financing	0-100	0
Asset Management	0/20/40/60	40
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	50
Total		350

96 FOREST ROADS - 6 YEAR CAPITAL BUDGET REQUEST

PRI	YR	PROJECT NAME	CNTY	State Forest	PROJECT DESCRIPTION	EST. COST
1	96	REGIONWIDE GRAVEL CRUSHING	VARIOUS	VARIOUS	STOCKPILE 120M CUBIC YARDS OF GRAVEL IN 8 PILES FOR ROAD RESURFACING	\$410,000
2	96	BUTTERFIELD ROAD	LAKE OF THE WOODS	BELTRAMI ISLAND	20 MILES RECONSTRUCTION	\$390,000
3	96	NORRIS DITCH	AITKIN	HILL RIVER	INSTALL 48" CULVERT	\$ 5,000
4	96	BEDNAR ROAD	ROSEAU	BELTRAMI ISLAND	10 MILES RECONSTRUCTION	\$180,000
5	96	CUTFOOT ROAD	KOOCH.	BIG FORK	6.5 MILES RECONSTRUCTION	\$ 80,000
6	96	HAUGEN DITCH	AITKIN	HILL RIVER	INSTALL 48" CULVERT	\$ 5,000
7	96	FAUNCE ROAD	LAKE OF THE WOODS	BELTRAMI ISLAND	RESURFACE 4 MILES	\$ 10,000
8	96	VALLEY RIVER ROAD	ITASCA	G. WASH.	REPLACE SUB-STANDARD BRIDGE	\$ 60,000
9	96	DYE ROAD	SHERBURNE	SAND DUNES	1 MILE RECONSTRUCT	\$ 35,000
10	96	FIRE ROAD	SHERBURNE	SAND DUNES	1 MILE RECONSTRUCT	\$ 10,000
11	96	BIONDICH ROAD	KOOCH.	OUT OF SF	RECONSTRUCTION - COOP PROJECT WITH BOISE CASCADE	\$ 35,000
12	96	HOGSBACK ROAD	LAKE OF THE WOODS	BELTRAMI ISLAND	RESURFACE 2 MILES	\$ 10,000
13	96	HWY. 6 ACCESS	CROW WING	CROW WING	CONSTRUCT APPROACH TO HIGHWAY	\$ 5,000
14	96	IRISH CREEK ROAD	COOK	GRAND PORTAGE	RESURFACING, CULVERTS, DITCHING	\$ 30,000
15	96	GRAVEL PIT CLOSURE	LAKE OF THE WOODS	BELTRAMI ISLAND	PLANT GRASS, SLOPE, SHAPE	\$ 15,000
16	96	S. BEARHEAD ROAD	ST. LOUIS	BEAR ISLAND	RESURFACE 5 MILES, DITCHING, FABRIC	\$ 40,000
17	96	BELDEN ROAD	PINE	NEMADJI	6 MILES RECONSTRUCTION	\$170,000
18	96	GIESE/HERUBIN ROAD	AITKIN	SOLANA	10 MILES RESURFACING, CULVERTS	\$130,000
19	96	INDIAN PINES ROAD	KOOCH.	PINE ISLAND	5 MILES RECONSTRUCTION	\$ 25,000
20	96	TOWNLINE ROAD	ST. LOUIS	KABET-OGAMA	REPLACE TANK CAR, RESURFACE	\$ 50,000
21	96	AICHL ROAD	LAKE OF THE WOODS	BELTRAMI ISLAND	3 MILES RESURFACING	\$ 10,000
22	96	BORDEN LAKE ROAD	CROW WING	OUTSIDE SF	2 MILES RECONSTRUCTION	\$ 15,000
					GRAND TOTAL	\$1,720,000

98 FOREST ROADS - 6 YEAR CAPITAL BUDGET REQUEST

PRI	YR	PROJECT NAME	CNTY	State Forest	PROJECT DESCRIPTION	EST. COST
1	98	CHELSEY BROOK RD.	KANABEC	SNAKE RIVER	RECONSTRUCT 3 MILES OF ROAD	\$190,000
2	98	PINE ISLAND RD.	KOOCH.	PINE ISLAND	RECONSTRUCT 3 MILES OF ROAD	\$40,000
3	98	THOMPSON RD.	ROSEAU	BELTRAMI I.	RESURFACE 5 MILES OF ROAD	\$40,000
4	98	HOMESTEAD RD.	ITASCA	G. WASH.	RESURFACE 4 MILES/REPLACE CULVERTS	\$20,000
5	98	DICK'S PARKWAY	BELTRAMI	BELTRAMI I.	CRUSH 20,000 CUBIC YARDS OF GRAVEL	\$50,000
6	98	ELLIOT RD.	AITKIN	SAVANNA	RECONSTRUCT 4 MILES OF ROAD	\$140,000
7	98	OTTER LAKE RD.	COOK	GRAND PORTAGE	RESURFACE 6 MILES\REPLACE CULVERTS	\$50,000
8	98	DICK'S PARKWAY	L.O.W.	BELTRAMI I.	RESURFACE 10 MILES OF ROAD	\$80,000
9	98	AITKIN LAKE RD.	AITKIN	SAVANNA	RECONSTRUCT 4 MILES OF ROAD	\$80,000
10	98	DITCHBANK RD.	CARLTON	FON DU L.	RESURFACING, CULVERTS, DITCHING	\$125,000
11	98	MOREHOUSE RD.	BELTRAMI	BELT. IS.	GRAVEL CRUSHING	\$ 25,000
12	98	STONEY RIVER RD.	LAKE	FINLAND	GRAVEL, CULVERTS, TURNAROUNDS	\$125,000
13	98	MOREHOUSE RD.	BELTRAMI	BELT. IS.	RESURFACE 5 MILES OF RD.	\$ 10,000
14	98	DENTAYBOW RD.	KOOCH.	KOOCH.	REPLACE BRIDGE, RESURFACE RD.	\$125,000
15	98	DICK'S PARKWAY	L.O.W.	BELT. IS.	RESURFACE 10 MILES	\$150,000
16	98	HEFFLEFINGER/BEAVER RD.	LAKE	FINLAND	DITCHING, CULVERTS, RESURFACE	\$ 70,000
17	98	KRULL & CARP RDS.	L.O.W.	BELT. IS.	CRUSH 10,000 CUBIC YARDS OF GRAVEL	\$35,000
18	98	LAKE 36	CARLTON	FON. DU. L.	RESURFACE, CULVERTS, DITCHING	\$ 30,000
19	98	FAUNCE RD.	L.O.W.	BELT. IS.	REALIGN CURVE	\$ 10,000
20	98	ROOSEVELT RD.	L.O.W.	BELT. IS.	RESURFACE 10 MILES OF ROAD	\$ 80,000
21	98	RIVER ROAD	ROSEAU	BELT. IS.	CRUSH 10,000 CUBIC YDS. OF GRAVEL	\$ 25,000
22	98	RIVER ROAD	ROSEAU	BELT. IS.	RESURFACE 3 MILES OF ROAD	\$ 40,000
					GRAND TOTAL	\$1,540,000

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AGENCY CAPITAL BUDGET REQUEST

Non-Building Program Detail

Fiscal Years 1996-2001

Dollars in Thousands (\$137,500 = \$138)

Form F-1

AGENCY: Natural Resources, Department of

PROJECT TITLE: Fish and Wildlife Fish Culture Rehabilitation

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$1,008

STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$500

STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$500

LOCATION (CAMPUS, CITY, COUNTY): State Wide

AGENCY PRIORITY (for projects in the 1996 session only):

NB07 of 20 requests

1. PROJECT DESCRIPTION:

In accordance with the department's strategic plan *Directions*, \$1.008 million in funds are requested for various improvements to the DNR's fish culture facilities. Improvements to hatcheries, rearing ponds, and holding facilities include the following:

- \$236 thousand for a linear clarifier for pond 1 to meet future PCA requirements renovation of a nursery, and raceway enclosures at the Lanesboro coldwater hatchery;
- \$51 thousand for renovation of the Lake Sallie (Detroit Lakes) walleye hatchery water supply;
- \$15 thousand for fish holding facilities at Walker;
- \$40 thousand for pond restoration and road paving at the Waterville warmwater hatchery;
- \$54 thousand for beaver pond rehabilitation, effluent bank stabilization, dike reinforcement, and renovation of raceways at Crystal Springs coldwater hatchery;
- \$220 thousand for renovation of the raceway and water supply at the Glenwood walleye hatchery;
- \$20 thousand for replacement of pumps at the Duluth walleye hatchery;
- \$34 thousand for renovation of the driveway at the French River coldwater hatchery;
- \$17 thousand for nursery tank and pond remodeling at Spire Valley coldwater hatchery;

- \$132 thousand for a storage building, water filter/booster pump, security fence, and raceway at New London warmwater hatchery;
- \$189 thousand for access area nursery building at Peterson coldwater hatchery.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

The department's strategic plan report, *Directions for Natural Resources 1995*, outlines the major goals and strategies for achieving its mission and provides the framework for guiding budget investment decisions. This request supports the strategies in *Directions* by addressing the demand for opportunities for outdoor recreation.

DNR Directions: Build upon traditional natural resource management to provide products, services and benefits consistent with a commitment to ecosystem-based management.

DNR Directions: Concentrate efforts in ecosystems of special value or concern, or experiencing the greatest pressure from human activity.

Fish culture rehabilitation projects are included both in the department's 6-year strategic plans and are identified in the state's 6-year planning estimates.

Our long range goal is to improve 21 fish hatcheries statewide to ensure there are sufficient fish to meet stocking quotas established by individual lake and stream management plans. The estimated costs of these improvements through F.Y. 2001 is \$2.008 million. This request would provide \$1.008 million for the highest priority projects in F.Y. 1996-97. The six coldwater hatcheries provide trout and salmon for stocking inland lakes, streams, and Lake Superior. The fifteen warm water hatcheries provide primarily walleye and muskellunge for inland stocking programs and white sucker for the muskellunge rearing program. Fisheries' operating budget cannot fund needed maintenance of the state's hatchery facilities.

Many of the projects in this request will repair or replace old and deteriorated facilities. Investing in these projects now will increase operating

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

efficiency, reduce maintenance costs, and avoid the need for costly emergency repairs in the future.

The capital improvement request for the Lanesboro Hatchery includes three main components: raceway enclosure; linear clarifier for one settling pond; and renovation of the nursery area.

1. The raceway enclosure is to prevent predation to brood stock from birds and mammals and to prevent vandalism and theft. It will also create better working conditions during egg takes and facilitate viewing of the fish by the public.
2. The settling pond is used to remove fish waste before the hatchery effluent enters Duschee Creek, a trout stream. To remain in compliance with PCA discharge standards in the future, the quality of the discharged water needs to be improved. This can be accomplished by installing a linear clarifier and sediment basin, which will allow the waste water more time to settle.
3. The nursery area will be renovated by replacing the old concrete tanks and deteriorated water drain line. By making better use of available space in the nursery area, 56 tanks could be installed instead of the current 40. The existing drain line is too small, which causes the nursery floor to flood. These improvements will provide a better working environment and ensures that statewide trout stocking quotas can be met.

The fish holding facility at Walker will make distribution of game fish more efficient in that area.

The Lake Sallie (Detroit Lakes) Hatchery has received funds to renovate the existing building, but these funds were insufficient to make needed improvements to the water supply. Additional improvements are needed to replace the water line and intake, replace the water storage tank, and drill a new well. Much of the existing equipment is over 50 years old.

The Spire Valley nursery tanks need to be covered with a pole barn to prevent weathering of the tanks and improve working conditions. The Spire

Valley rearing pond will be decreased in size so that water temperatures are more conducive to brook trout rearing. This will be accomplished by putting a dike across one end of the pond. Bird netting will also be installed to prevent predation.

The Glenwood Hatchery raceway renovation will replace the existing raceways that are over 80 years old and badly deteriorated. These raceways are used for holding game fish prior to distribution. The existing water collection and delivery system for the Glenwood Hatchery needs to be reconstructed because it has deteriorated to the point that the hatchery receives an inadequate water flow.

The Waterville Hatchery rearing pond seal is leaking. The bed of the pond needs to be excavated and replaced with six inches of clay. The existing driveway will also be repaved.

The French River Hatchery driveway is badly deteriorated and needs repair.

The Duluth Hatchery pumps need to be replaced because they are old and no longer function properly.

The New London Hatchery request includes 4 components: a storage building; water filter/booster pump; raceway renovation; and a security fence.

1. The storage building will provide cold storage for equipment now stored in the filter building and at the old hatchery building in downtown New London. The old hatchery building is scheduled to be disposed of once property is transferred from the USFWS. Equipment stored in the filter building makes access to the emergency generator potentially unsafe, because equipment and supplies must be moved to work on the generator.
2. Mill pond water, which is used for eggs and fish rearing, contains silt, sand, vegetation, small fish, and invertebrates that clog water valves on the tanks. This decreases the flow of water and could cause losses of eggs or fish being reared in the indoor raceways. The water filter/booster pump would eliminate that problem and save staff time.

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

3. An outside earthen raceway is used for holding display fish for county fairs. This request will provide for a concrete bottom and walls as well as a bird proof cover. These improvements will increase the survival of fish and facilitate seining of the raceway to move fish. If these improvements are made, the raceway could be used to temporarily hold walleyes or other fish to be transferred to other stations.
4. The present fence does not ensure security since it is in disrepair. Replacing the fence would reduce vandalism to buildings and pond structures, and reduce the safety risk to children.

The Peterson Hatchery request has two main components: access area; and incubation and nursery buildings.

1. The access area would provide fish transport disinfection and loading facilities, a visitor parking area, and truck access to fish culture and storage areas. The tractor/trailer fish hauling unit is currently unable to access the fish culture areas and there is no permanent truck disinfection area. Visitor parking is minimal. In addition, a drain culvert and emergency sump pump will be installed and site improvements done on an obsolete fish pond that is a safety hazard.
2. The incubation and nursery building will replace the temporary facility assembled in 1989. The temporary incubation/nursery area was assembled under emergency conditions as a stop gap measure meant to function through 1995.

The Crystal Springs Hatchery request has four main components: beaver pond rehabilitation; effluent stream bank stabilization; dike reinforcement; and raceway renovation.

1. The beaver pond rehabilitation will make necessary repairs to a trout rearing pond capable of producing 15,000 pounds of yearling stream trout annually. The project will consist of filling and reinforcing pond banks and installing a water control structure.
2. The effluent stream bank stabilization will provide riprap and gabions to stabilize the banks of the effluent settling pond.

3. The dike reinforcement is needed to groom and riprap the facility flood prevention dike that keeps surface runoff out of the fish rearing raceways during flooding.
4. The renovation of three concrete raceways is needed to resurface 4800 square feet of raceway floor surfaces. These raceways were built in the 1950's and have large cracks and scaling that makes them undesirable for the rearing of small fish.

3. PREVIOUS PROJECT FUNDING:

Small amounts of fisheries' operating budget have been used to maintain hatchery facilities; however, the amounts available are not sufficient to meet statewide needs. In F.Y. 1994, fisheries used about \$119 thousand from license fee and surcharge dollars for hatchery improvements. In F.Y. 1993, this amount was about \$54 thousand. Recent appropriations have included: M.L. 1992, Ch. 558, bonding appropriation of \$1.250 million; M.L. 1990, Ch. 610 bonding appropriation of \$86 thousand; M.L. 1987, Ch. 400 bonding appropriation of \$3.783 million; and M.L. 1985, 1SS, Ch. 15, bonding appropriation of \$200 thousand.

4. OTHER CONSIDERATIONS (OPTIONAL):

The entire coldwater culture program, including spawn taking, hatching, rearing, and stocking was approximately \$1.304 million in F.Y. 1994, which is about 8% of the fisheries operating budget. For the walleye and muskellunge culture programs, the total spent was about \$1.242 million, or 8% of the fisheries operating budget.

Fish culture remains an extremely important part of the fisheries program. While recent information indicates that some stocking is ineffective, fisheries continues to evaluate and fine tune its stocking as part of an individual waters planned management system. Effective stocking will continue to be an important part of the fisheries management program.

The hatchery facilities that will be improved with this request represent very important components of the fish culture program. The Crystal Springs Hatchery is responsible for all of the Lake Superior lake trout quota (including the lake trout egg quota for the National Fish Hatchery at Iron

**AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)**

River for Lake Superior), all of the splake quota, the wild brook trout quota, and the stream trout quotas for the Lake City management area. The Lanesboro facility produces most of the state's rainbow and brown trout. The Peterson facility holds brood stock that produce all of the state's lake trout for inland lakes. The French River facility supplies all the salmon and trout (except lake trout) stocked in Lake Superior including chinook salmon, Kamloops rainbow trout, and steelhead. The Detroit Lakes, Glenwood, and New London hatcheries produced about 6%, 5%, and 10% of the state's walleye fry in 1994. The New London Hatchery is also used to raise muskellunge, channel catfish, small-mouth bass, and sucker. The Waterville Hatchery raised about 9% of the state's walleye fry in 1994 and is also used to raise channel catfish, muskellunge and sucker. The Duluth Hatchery raised about 2% of the state's walleye fry and 40% of the state's sucker fry in 1994.

While fish stocking does not solve problems caused by poor water quality or habitat degradation, it does provide angling opportunity that otherwise would not exist. Fisheries needs to maintain a balanced program with adequate monitoring, habitat improvement and protection, and stocking.

5. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Ron Payer, Fisheries Operations Manager, 612-297-4918
Steve Hirsch, Fisheries Program Manager, 612-296-0791

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

TYPE OF REQUEST (Check all that apply):

Acquisition of State Assets
 Development of State Assets
 Maintenance of State Assets
 Grants to Local Governments
 Loans to Local Governments
 Other Grants (specify):

PROJECT CHARACTERISTICS (Check all that apply):

Health and Safety
 Enhancement of Existing Programs/Services
 Expansion of Existing Program/Services
 Provision of New Program/Services
 Other (specify):

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ _____ Fund _____
 Bonds: \$1,008 Tax Exempt Taxable _____

STATE DEBT SERVICE PAYMENTS (Check all that apply):

General Fund % of total 100
 User Financing % of total _____

Source of funds _____

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ 5,319
State funding received	\$ 5,319
Federal funding received	\$ -0-
Local government funding received	\$ -0-
Private funding received	\$ -0-

For 1996 Session (F.Y. 1996-97)

State funding requested	\$ 1,008
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-

For 1998 Session (F.Y. 1998-99)

State funding estimate	\$ 500
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-

For 2000 Session (F.Y. 2000-01)

State funding estimate	\$ 500
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-

Total Project Costs (all years)	\$ 7,327
State funding requested(all years)	\$ 7,327
Federal funding (all years)	\$ -0-
Local government funding (all years)	\$ -0-
Private funding (all years)	\$ -0-

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

The 1995 legislature appropriated \$1.0 million from the environmental trust fund and future resources fund for the acquisition, restoration, improvement and development of fisheries habitat and hatchery rehabilitation.

The Governor and the legislature may also want to consider the Game and Fish Fund as a source of funding for this request.

GOVERNOR'S RECOMMENDATION:

The Governor recommends general obligation bonding of \$500 thousand for this project. Also included are budget planning estimates of \$500 thousand in 1998 and \$500 thousand in 2000.

The Governor has considered appropriations made in 1995 and recognizes the potential for future LCMR recommended funding in 1996-97.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	80
Safety Concerns	0/35/70/105	0
Customer Services/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	75
User and Non-State Financing	0-100	0
Asset Management	0/20/40/60	40
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	0
Total		300

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

AGENCY: Natural Resources, Department of (DNR)
PROJECT TITLE: Forest Recreation Facility Rehabilitation

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$510
STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$500
STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$500
LOCATION (CAMPUS, CITY, COUNTY): Statewide

AGENCY PRIORITY (for projects in the 1996 session only):

NB08 of 20 requests

1. PROJECT DESCRIPTION:

This request includes the rehabilitation and improvement of 10 state forest campgrounds, and 4 day-use areas; plus the development of 2 new campgrounds and one horse camp and staging area. Facilities included for rehabilitation are listed at the end of this request. The total request for the 1996-97 biennium is \$510 thousand.

Rehabilitation of campgrounds includes the replacement of vault toilets, fire rings, and picnic tables, tree planting, reconstruction of campground roads and spurs, closing overused sites to allow recovery, development of new sites and redesigning existing campgrounds, replacing and closing contaminated wells, erosion control measures, and construction or replacement of fish cleaning "houses".

Rehabilitation of day-use areas includes tree planting, replacement of vault toilets, fire rings, and picnic tables, erosion control, swimming beach reconditioning and other landscaping.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

The 1975 Legislature passed the Outdoor Recreation Act (M.S. 86A) that established the state's outdoor recreation system. The act included criteria

for developing and managing all state recreation facilities including those in state forests. State forests provide recreational opportunities not often found with other public and private recreation facilities: more "rustic" camping experiences at facilities that are less developed (e.g., no electrical hook-ups, or dump stations for RV's), and a wide-variety of dispersed recreation (e.g., berry-picking, hunting, bird-watching, etc.).

Forestry currently administers 46 campgrounds, 44 day-use areas, 900 miles of trail, 142 water accesses and 17 canoe and boating route campsites. Most of the division's facilities were constructed in the late 1960's and 1970's (some as early as the 1930's). Between 1983 and 1994, 25 state forest campgrounds, 22 day-use areas, 45 miles of trail, and 10 water accesses have been rehabilitated or developed with bonding funds or appropriations from the Environmental Trust Fund.

The department's strategic plan report, *Directions for Natural Resources 1995*, outlines the major goals and strategies for achieving its mission and provides the framework for guiding budget investment decisions. This request supports the following *Directions* strategies and the Minnesota Forest Resource Plan by addressing the demand for opportunities for outdoor recreation.

DNR Directions: Implement ecosystem-based approaches that integrate ecological, social, cultural and economic values into resources management.

DNR Directions: Advocate economic, ecological, and social policies that promote the sustainability of ecosystems.

DNR Directions: Build upon traditional natural resource management to provide products, services, and benefits consistent with a commitment to ecosystem-based management.

Minnesota Forest Resource Plan: Fulfill the outdoor recreation potential of Division of Forestry administered lands by providing developed recreation areas and opportunities for dispersed recreational activities compatible with other forest uses and consistent with user demand.

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

This funding is needed to repair, replace, or construct facilities that improve the quality and delivery of services to those who use state forest recreation facilities. In addition, this project will help the division meet the public's demand for a wider variety of recreational opportunities. Many of the individual projects are also needed to comply with current safety code and ADA requirements. Several projects will qualify for CAPRA or accessibility funding.

The Franz Jevne road reconstruction project will widen a substandard road to improve site distance and the travel surface. The Hinsdale Island boat-in campsites are heavily used and eroding, causing sedimentation into Lake Vermillion. The erosion is also creating a safety hazard for campers because of the exposed roots and rocks that are easily tripped on when walking about the campsite. If rehab work is not done soon, some or all of these sites will be closed.

The Tamarack Horse Camp is currently overused and needs expansion. On most fall weekends it is filled beyond capacity creating safety problems for the users. Expansion of the facility will alleviate the crowding and related safety problems. Drilling a new well will provide potable water that currently isn't available. Expansion will also allow the development of handicapped accessible campsites and vault toilets that will bring the campground into ADA compliance.

The Ash River, Bemis Hill, and Gafvert campgrounds project will replace toilets that currently violate Health Department standards and will provide accessible campsites and vault toilets to meet ADA standards. The Trout Valley, Sand Dunes, and Zumbro Bottoms trail rehabilitation projects will control erosion to comply with water quality best management practices. These rehabilitation projects will alleviate trail safety problems, which are created by serious trail erosion.

The 3 development projects include:

- The Little John Lake campground development will provide 20 new campsites in a project that includes parking spurs, tent pads, picnic tables, fire rings, water supply and toilet facilities designed specifically for camping.

- The Winnebago Unit hunter area parking lot and campsites will provide a camping area that complies with health standards.
- The Sand Dunes Horse Camp and staging area involves building parking and staging areas, campsites, horse corral, hitching post, water supply and watering troughs, and establishing 15-20 miles of horseback riding trails.

State forest lands have considerable impact on the tourism industry and the supply of outdoor recreation opportunities. These lands and their associated waters are used for many recreational pursuits including camping, picnicking, hiking, hunting, trapping, fishing, canoeing, boating, swimming, ski touring, snowshoeing, snowmobiling, trail biking and horseback riding. Twenty-five percent of all outdoor recreational activity hours occur in townships with state forest lands. In addition, the 1990 State Comprehensive Outdoor Recreation Plan predicts that demand for most recreational activities will increase significantly on state forest lands. State forest campground usage (and receipts) have increased steadily since 1986. State forest campground receipts are deposited in the General Fund.

Funding for the development and maintenance of motorized trails (e.g., snowmobile, ATV) on state forest lands comes from dedicated accounts through the DNR Trails and Waterways Unit. There currently is no funding source for non-motorized trails on Forestry administered lands. Direct appropriations in the operating budget for forest recreation development and rehab have been cut because of budget reductions. With limited funding, spending on state forest recreation facilities has been \$200-\$240 thousand per year for operations and general maintenance such as garbage pick-up, clean-up, mowing, and minor facility repair.

Forestry estimates its biennial funding need for forest recreation facilities as the following:

Operations and maintenance (General Fund)	\$400-480 thousand
Rehabilitation and betterment (bonding)	\$500 thousand

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

3. PREVIOUS PROJECT FUNDING:

M.L. 1985, ISS, Chap. 13	\$400	trust fund
M.L. 1985, ISS, Chap. 15	\$200	bonding
M.L. 1994, Chap. 643	\$500	bonding

4. OTHER CONSIDERATIONS (OPTIONAL):

Deferral of this project will result in further deterioration of identified facilities and recreation sites, increase future rehabilitation costs, compromise the integrity of facilities, and increase health and safety risks to forest recreation facility users. Some facilities will remain out of compliance with current health code and ADA requirements. Some facilities will likely be closed. The resulting decrease in the use of state forest facilities will also have a negative impact on the state's tourism industry.

Allowing private vendors to run state forest campgrounds has been considered. However, most state forest campgrounds are not attractive to private vendors because of their limited ability to generate revenue. Another concern is that private vendors, to generate additional revenue, will destroy the niche that state forest campgrounds currently fill in the outdoor recreation system (i.e., providing a primitive and inexpensive outdoor experience with minimal development and supervision) by developing campgrounds with showers, electricity and other amenities, and raising fees.

5. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Barry Morse, State Land Management Supervisor
612/296-4482

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-2

TYPE OF REQUEST (Check all that apply):

Acquisition of State Assets
 Development of State Assets
 Maintenance of State Assets
 Grants to Local Governments
 Loans to Local Governments
 Other Grants (specify):

PROJECT CHARACTERISTICS (Check all that apply):

Health and Safety
 Enhancement of Existing Programs/Services
 Expansion of Existing Program/Services
 Provision of New Program/Services
 Other (specify): Maintain previous capital investments

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ _____ Fund _____
 Bonds: \$510 Tax Exempt Taxable _____

STATE DEBT SERVICE PAYMENTS (Check all that apply):

General Fund % of total 100
 User Financing % of total _____

Source of funds _____

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ 1,100
State funding received	\$ 1,100
Federal funding received	\$ -0-
Local government funding received	\$ -0-
Private funding received	\$ 25
For 1996 Session (F.Y. 1996-97)	
State funding requested	\$ 510
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-
For 1998 Session (F.Y. 1998-99)	
State funding estimate	\$ 500
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-
For 2000 Session (F.Y. 2000-01)	
State funding estimate	\$ 500
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-
Total Project Costs (all years)	
State funding requested(all years)	\$ 2,610
Federal funding (all years)	\$ -0-
Local government funding (all years)	\$ -0-
Private funding (all years)	\$ 25

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-3

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

GOVERNOR'S RECOMMENDATION:

The Governor recommends general obligation bonding of \$400 thousand for this project. Also included are budget planning estimates of \$400 thousand in 1998 and \$400 thousand in 2000.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	80
Safety Concerns	0/35/70/105	0
Customer Services/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	75
User and Non-State Financing	0-100	0
Asset Management	0/20/40/60	40
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	50
Total		350

96 FOREST RECREATION - 6 YEAR CAPITAL BUDGET REQUEST

PRI	YR	PROJECT NAME	CNTY	State Forrest	PROJECT DESCRIPTION	EST. COST
1	96	FRANZ JEVNE	KOOCH.	NONE	WELL/ROAD RECONSTRUCTION	\$10,000
2	96	HINSDALE ISLAND CG.	ST. LOUIS	KABET-OGAMA	REHABILITATE BOAT-IN CAMPSITES	\$27,500
3	96	N. PETERSON UNIT	FILLMORE	RJ DORER	INSTALL TRAIL GATE	\$1,000
4	96	TAMARACK HORSE CAMP	PINE	ST. CROIX	EXPAND HORSE CAMP, REROUTE ROAD, TOILETS, WELL	\$98,000
5	96	ASH RIVER CG.	ST. LOUIS	KABET-OGMA	REHABILITATE CAMPGROUND, NEW HANDPUMP, TREE PLANTING	\$27,500
6	96	SAND DUNES HORSE CAMP	SHERBURNE	SAND DUNES	CONSTRUCT HORSE CAMP/STAGING AREA/WELL/TOILETS	\$44,500
7	96	WINNEBAGO UNIT	HOUSTN	RJ DORER	HUNTER PARKING AREA/CAMPSITES	\$12,000
8	96	BEMIS HILL CG.	ROSEAU	BELT. IS.	VAULT TOILET/ACCESSIBLE CAMPSITE	\$14,000
9	96	VARIOUS		VARIOUS	MINOR REHABILITATION PROJECTS AT A NUMBER OF CGS./DAY USE AREAS	\$30,000
10	96	TROUT VALLEY UNIT	WINONA	RJ DORER	REHABILITATE TRAILS	\$4,000
11	96	STARK HORSE CAMP	CASS	PILLS-BURY	WELL HOUSE/ELECTRICITY/ELECTRIC PUMP	\$10,000
12	96	GAFVERT CG.	PINE	NEMADJI	REHABILITATE CAMPGROUND	\$11,000
13	96	LITTLE JOHN LAKE	COOK	GRAND PORTAGE	CONSTRUCT NEW 20 SITE CAMPGROUND	\$138,000
14	96	ZUMBRO BOTTOMS	WABASHA	RJ DORER	VAULT TOILET, WELL, EROSION CONTROL, TRAIL CONSTRUCTION	\$20,000
15	96	SAND DUNES TRAILS	SHERBURNE	SAND DUNES	HORSE TRAIL PARKING/TRAIL REHABILITATION	\$20,000
16	96	BIRCH LAKE	STEARNS	BIRCH LAKE	CAMPGROUND IMPROVEMENTS, BEACH REHAB., TRAIL REHAB.	\$30,000
17	96	PICKERAL LAKE TRAIL	BECKER		DEVELOP MOUNTAIN BIKE/HIKE TRAIL	\$10,500
					GRAND TOTAL	\$508,000

98 FOREST RECREATION - 6 YEAR CAPITAL BUDGET REQUEST

PR I	YR	PROJECT NAME	CNTY	State Forrest	PROJECT DESCRIPTION	EST. COST
1	98	SNAKE RIVER CG.	PINE	CHENG.	REHABILITATE CAMPGROUND	\$ 73,500
2	98	SULLIVAN LAKE CG.	LAKE	FINLAND	REHABILITATE CAMPGROUND	\$ 38,000
3	98	BOULDER LAKE CG.	PINE	ST. CROIX	REHABILITATE CAMPGROUND	\$ 44,000
4	98	R.J. DORER TRAILS	VARIOUS	RJ DORER	REHABILITATE TRAILS/EROSION CONTROL	\$ 50,000
5	98	CAMPGROUND EQUIPMENT	VARIOUS	VARIOUS	FIRE RINGS, TABLES, VAULT TOILETS	\$ 50,000
6	98	TRAIL REHABILITATION	VARIOUS	VARIOUS	REHABILITATE TRAILS	\$ 37,000
7	98	VERMILLION LAKE BOAT-IN CAMPSITES	ST. LOUIS	KABE-TOGAMA	CONSTRUCT 8 BOAT-IN CAMPSITES	\$ 41,000
8	98	ISNOURS UNIT	FILLMORE	RJ DORER	REHAB. CAMPSITES/HANDICAP ACCESSIBILITY	\$ 2,000
9	98	ANN LAKE CG./DUA	SHERBURNE	SAND DUNES	CG./DAY USE AREA IMPROVEMENTS	\$ 80,000
10	98	DIAMOND CREEK	FILLMORE	RJ DORER	HUNTER PARKING LOT/CAMPSITES	\$ 3,000
11	98	VERMILLION RIVER CCC CAMP	ST. LOUIS	KABETOGAMA	CONSTRUCT 3 CANOE CAMPSITES/VAULT TOILET/WELL	\$ 25,000
12	98	ASH RIVER BOAT-IN CAMPSITES	ST. LOUIS	KABETOGAMA	CONSTRUCT 3 BOAT-IN CAMPSITES	\$ 11,000
13	98	BRIGHTSDALE UNIT	FILLMORE	RJ DORER	HANDICAPPED ACCESSIBLE TRAIL/BUILDING	\$ 16,500
14	98	SHELDON UNIT	HOUSTON	RJ DORER	INSTALL VAULT TOILET	\$ 4,000
15	98	SNAKE CREEK UNIT	WABASHA	RJ DORER	INSTALL WELL\REHABILITATE TRAIL	\$ 6,000
16	98	NEMADJI TRAILS	PINE	NEMADJI	TRAIL REHABILITATION	\$ 3,000
17	98	GENERAL ANDREWS DUA'S	PINE	GEN. ANDR.	DAY USE AREA IMPROVEMENTS	\$ 2,000
18	98	PAUL BUNYAN TRAIL CAMPSITES	CASS	NONE	CONSTRUCT TRAIL CAMPSITES	\$ 2,000
19	98	BLUEBERRY HILL	L.O.W.	BELT. IS.	VAULT TOILET/ACCESSIBLE CAMPSITE	\$ 14,000
					GRAND TOTAL	\$502,000

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AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

AGENCY: Natural Resources, Department of
PROJECT TITLE: RIM - Fish and Wildlife Fisheries Improvement

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$505
STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$500
STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$500
LOCATION (CAMPUS, CITY, COUNTY): State Wide

AGENCY PRIORITY (for projects in the 1996 session only):

NB09 of 20 requests

1. PROJECT DESCRIPTION:

In accordance with the department's strategic plan *Directions*, \$505 thousand in funds are requested for various fisheries resource improvements. Projects include aeration systems on 3 lakes for \$80 thousand and stabilization of 4,100 lineal feet of public shoreline on Lake Winnibigoshish for \$425 thousand.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

The department's strategic plan report, *Directions for Natural Resources 1995*, outlines the major goals and strategies for achieving its mission and provides the framework for guiding budget investment decisions. This request supports the strategies in *Directions* by addressing the need to protect significant natural resources through the improvement of existing holdings and the demand for opportunities for outdoor recreation.

DNR Directions: Concentrate efforts on ecosystems of special value or concern, or experiencing the greatest pressure from human activity.

DNR Directions: Build upon traditional natural resource management to provide products, services, and benefits consistent with a commitment to

ecosystem-based management.

Fisheries improvement projects are included both in the department's 6-year strategic plans and are identified in the state's 6-year planning estimates.

Aeration systems are used to prevent winterkill conditions in shallower lakes. They have become necessary in some of the shallower fish lakes, particularly in the southern part of the state, where increased nutrient input has caused low dissolved oxygen levels during the winter months. Aeration systems have been very successful in providing game fish angling opportunities in lakes that would otherwise support few fish other than bullheads. This request would help meet our goal by providing \$80 thousand for 3 systems in F.Y. 1996-97. The goal through F.Y. 2001 is to install 25 systems at a cost of \$800 thousand.

The shoreline erosion control project on Lake Winnibigoshish is a continuation of work designed to stabilize eroding banks, prevent siltation of walleye spawning areas, and add rock to enhance existing spawning areas. Lake Winnibigoshish is one of the largest and most important walleye lakes in the state. Walleye need clean rock or gravel bottoms to successfully spawn and siltation of these areas could negatively impact long term walleye spawning success. The long range goal is to stabilize approximately 11,500 lineal feet of additional shoreline at a cost of about \$650 thousand. This request would provide \$425 thousand to stabilize 4,100 lineal feet of shoreline in F.Y. 1996-97.

3. PREVIOUS PROJECT FUNDING:

Appropriations for fisheries improvements have included:

M.L. 1985	1SS, Ch. 15	\$ 200	bonding
M.L. 1986	Ch. 383	1,200	bonding
M.L. 1987	Ch. 400	992	bonding
M.L. 1989	Ch. 300	1,100	bonding
M.L. 1990	Ch. 610	613	bonding
M.S. 1993	Ch. 172	687	trust fund

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

M.L. 1995	Ch. 220	555	trust fund
M.S. 1995	Ch. 220	<u>445</u>	future resources
TOTAL		\$5,792	

In F.Y. 1994, about \$219 thousand of fisheries' operating budget was used for the types of projects listed in this request. This amount was \$295 thousand in F.Y. 1993.

4. OTHER CONSIDERATIONS (OPTIONAL):

The projects listed in this capital budget request cannot be covered with fisheries' normal operating budget. The section of fisheries has an annual operating budget of about \$16.5 million. Of this amount, over 97% is used for salaries, headquarters operations, administrative costs, and high priority basic programs including lake and stream survey, research, and fish culture and stocking. Only about \$500 thousand is available annually for discretionary funding. Discretionary funding is used for non-capital projects including creel surveys and special research and management projects as well as capital improvement projects such as those listed in this request. Fisheries' costs for creel surveys and other special evaluations is increasing because of a new emphasis on individual waters management, leaving less discretionary funding for capital improvements. As a result, fisheries' current operating budget cannot meet the increased demands for individual waters management and long range goals for capital improvements.

5. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Ron Payer, Fisheries Operations Manager, 612-297-4918
Steve Hirsch, Fisheries Program Manager, 612-296-0791

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-2

TYPE OF REQUEST (Check all that apply):

Acquisition of State Assets
 Development of State Assets
 Maintenance of State Assets
 Grants to Local Governments
 Loans to Local Governments
 Other Grants (specify):

PROJECT CHARACTERISTICS (Check all that apply):

Health and Safety
 Enhancement of Existing Programs/Services
 Expansion of Existing Program/Services
 Provision of New Program/Services
 Other (specify):

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ _____ Fund _____
 Bonds: \$ 505 Tax Exempt Taxable _____

STATE DEBT SERVICE PAYMENTS (Check all that apply):

General Fund % of total 100
 User Financing % of total _____

Source of funds _____

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ 5,792
State funding received	\$ 5,792
Federal funding received	\$ -0-
Local government funding received	\$ -0-
Private funding received	\$ -0-
For 1996 Session (F.Y. 1996-97)	
State funding requested	\$ 505
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-
For 1998 Session (F.Y. 1998-99)	
State funding estimate	\$ 500
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-
For 2000 Session (F.Y. 2000-01)	
State funding estimate	\$ 500
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-
Total Project Costs (all years)	
State funding requested(all years)	\$ 7,297
Federal funding (all years)	\$ -0-
Local government funding (all years)	\$ -0-
Private funding (all years)	\$ -0-

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

GOVERNOR'S RECOMMENDATION:

The Governor recommends general obligation bonding of \$500 thousand for this project. Also included are budget planning estimates of \$500 thousand in 1998 and \$500 thousand in 2000.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	80
Safety Concerns	0/35/70/105	0
Customer Services/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	75
User and Non-State Financing	0-100	0
Asset Management	0/20/40/60	0
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	0
Total		260

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

AGENCY: Natural Resources, Department of

PROJECT TITLE: RIM Wildlife and Scientific and Natural Areas Development/Habitat Improvement

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$3,000

STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$3,000

STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$3,000

LOCATION (CAMPUS, CITY, COUNTY): Statewide: Wildlife Management Areas, Scientific and Natural Areas, and other State owned lands

AGENCY PRIORITY (for projects in the 1996 session only):

NB10 of 20 requests

1. PROJECT DESCRIPTION:

Introduction: These projects would protect and improve natural resource values on state lands, and provide higher quality recreation and educational opportunities for Minnesotans. It would also ensure that state land values would be maintained into the future and that safer and easier access to state lands is provided. This request is of statewide significance because it allows hundreds of local projects to be completed across the state.

A. Wildlife Management Areas and other State Lands (\$2.385 million F.Y. 1996-1997)

These funds would be used to protect previously acquired lands, improve recreational opportunities, and restore and develop natural communities on Wildlife Management Areas (WMAs) and other state owned lands. Wildlife Management Areas are acquired to protect wildlife habitat and natural communities, to restore drained wetlands and other natural communities, and to manage lands for wildlife. They must be protected, improved, and managed just as with other state assets. Planned opportunities include:

- \$140 thousand for the protection of property by posting and fencing; control of erosion and cleaning up past building sites on WMAs.

- \$465 thousand for the improvement of services by development of recreational and management facilities such as access roads, parking lots, handicap facilities, water accesses and walking trails on WMAs.
- \$260 thousand to develop habitat on WMAs by re-establishing, developing and improving forest stands, forest openings and brushlands.
- \$335 thousand to develop grassland and farmland habitat by planting native grasses, trees and shrub plantings for long-term vegetative cover and wildlife habitat on WMAs in the agricultural regions of Minnesota.
- \$1.185 million to restore and develop wetlands, replace old dams, install water control structures, and perform other activities to enhance wetlands for wildlife on WMAs and other state land.

B. Scientific and Natural Areas (\$615 thousand F.Y. 1996-1997)

The development and protection of previously acquired Scientific and Natural Areas (SNAs) would be carried out. SNAs are sites of statewide significance that preserve examples of plant communities, geologic features, landforms, and rare and endangered species habitat. Examples are an old growth pine forest, a gravel esker, a peatland, and habitat for species such as the prairie white-fringed orchid. SNA sites are preserved for these rare features and for their scientific and educational value for present and future generations. Development of protected SNAs includes restoration of fields to woodlands and prairie, surveying boundaries, signing, posting, removal of encroaching trees and exotic species, clean-up, fencing, gating, and development of interpretive displays.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

All of these projects would help meet the Resource Management Goal in the Department's strategic plan report, *Directions for Natural Resources 1995. "To maintain, enhance, or restore ecosystems to assure ecological integrity while providing for sustainable use of natural resources for social and economic purposes."* They are especially important for the strategy:

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

"Concentrate efforts on ecosystems of special value or concern, or experiencing the greatest pressure from human activity."

The mission of the Section of Wildlife is to *"protect and manage Minnesota's wildlife and their communities for their intrinsic values and long term benefits to the people of Minnesota."*

A. Wildlife Management Areas and other State Lands

The Wildlife Section is responsible for enhancement and protection of wildlife habitat and related ecosystems. The enhancement of ecosystems is necessary to maintain and perpetuate the various wildlife species in the 1,230 wildlife management areas consisting of 734,000 acquired acres plus several million acres of county and state forest land. In addition, facilities are provided for recreational users who participate in a variety of activities from bird watching to waterfowl hunting.

The wildlife development goals for each biennium are:

Farmland/Grassland Habitat	4,400 acres
Forest/Brushland Habitat	7,700 acres
Wetland Habitat	4,200 acres
Property Protection/Facilities	640 sites

Two major problems identified in the division's strategic plan are: 1) natural succession and intensified human uses of land and water are altering habitats and reducing the carrying capacity for many wildlife species; and 2) the demands for opportunities to use and appreciate wildlife and their communities are increasing, resulting in greater competition, conflict, and stress between existing resources.

The Wildlife Section's operating budgets are not adequate to meet the basic needs of wildlife management and to develop wildlife habitat on state lands. Funding is not adequate to carry out program goals and manage wildlife lands. Funds are needed to reinvest in the state's wildlife and recreational resources if customer services are to be maintained and improved.

This request would: 1) provide funds needed to post boundary signs on new acquisitions and other sites that have not been posted; 2) survey

boundaries prior to posting boundary signs; 3) establish permanent grassland and woody cover plantings; 4) re-establish brushland habitats for wildlife; 5) restore and improve wetlands; 6) provide and improve user facilities such as parking areas and access roads.

Annual bonding projects are chosen from the section's data base of projects that are prioritized by area wildlife managers and ranked by regional managers for each activity. Activities are prioritized according to needs of wildlife species and critical habitats.

As described in *Directions*, emphasis will be given to ecosystems with special value or concern or those experiencing the greatest pressure from human activity.

B. Scientific and Natural Areas

At the present time 103 scientific and natural areas covering 169,464 acres have been protected. Of this total, 146,238 acres are in 16 ecologically significant peatlands, legislatively protected by the Wetland Conservation Act of 1991. All SNAs meet the following agency long range goals; *"protecting and managing Minnesota's diverse ecosystems..., preserving biological diversity..., preserving unique natural resources..., and using cost effective methods to acquire ... resources."*

This request for SNA development is necessary to ensure the genetic and biological diversity found on SNA sites (protected in each landscape region of the state) for species, geological features and plant communities is retained. Development also prevents the loss of important species, plant communities and features from accidental or willful human disturbance and natural catastrophe.

Development efforts are critical to the long term protection of acquired lands. Unless lands are adequately fenced, gated, signed and posted, trespass and activities destructive to the rare species and habitats/plant communities will take place. Without legal posting, regulations may not be enforceable. Fields that are occasionally included in acquired parcels require restoration actions. Restoration requires the collection of seed from the site and subsequent replanting with seeds or nursery stock. Restoration activities, though never really recreating the original vegetation lost, allows for enhancement of the entire parcel and habitat

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

component for the rare species found there. Restoration also lessens the likelihood of problems from exotic species over the long term.

Interpretive facilities are needed at certain SNA's to meet the need of school groups and the public that desire to use these sites. Interpretive materials also assist in protecting sites by educating users about the need to conserve these critical lands and the species found there. At present, seven SNA have interpretive signing provided on site.

It is estimated that development of critical sites as SNA would cost over \$1.35 million over the next 6 years.

3. PREVIOUS PROJECT FUNDING:

A. Wildlife Management Areas

1986	Bonding	\$900
1987	Bonding	\$1,115
1989	Bonding	\$900
1990	Bonding	\$600
1993	Trust Fund	\$900 (primarily for non-bondable projects)
1994	Bonding	\$1,315
1995	Future Resources	\$450
TOTAL		\$6,180

B. Scientific and Natural Areas

1987	Bonding	\$250
1994	Bonding	\$615
TOTAL		\$865

4. OTHER CONSIDERATIONS (OPTIONAL):

A. Wildlife Management Areas and other State lands

The re-establishment of natural plant communities on state lands can reduce operating costs and improve efficiencies by reducing the need for annual noxious weed control with herbicides or manual cutting.

Wildlife operating funds are used to provide basic services to the public. Environmental Trust funds in the amount of \$260 thousand will be available for F.Y.1996 and F.Y.1997 for WMA and other state land enhancements. However, these funds are planned primarily for pre-

scribed burns, an activity that cannot be funded from bonding. Special accounts such as Deer Management, Pheasant Stamp, and Waterfowl Stamp funds are available for selected projects. Funds are not available to meet all needs. RIM Critical Habitat Matching funds can provide opportunities for habitat development. Again, parts of this proposal such as parking areas and handicap access are not appropriate for those funds.

Consequences of No Action:

With the increased need to protect unique wildlife lands, restore wetlands, and improve customer service, an expanded need exists to properly care for and develop lands that have been purchased or donated. Many wildlife areas need to be protected and developed to meet the demands of the public. Not managing or protecting our land would lead to increased trespass or inappropriate use, loss of wildlife values, unsafe access to sites, and reduced use and support by the public.

B. Scientific and Natural Areas

No other funding source exists for SNA development. Funds have been historically been appropriated through bonding or from the Environmental Trust Fund. Lack of development funds would jeopardize the lands previously protected as SNA and threaten the survival of rare and endangered species in Minnesota.

Lack of interpretive facilities at SNA sites would not allow the full educational potential of an area to be realized.

5. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Dick Carlson
 Wildlife Projects Coordinator
 612-296-0705

**AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)**

Form F-2

TYPE OF REQUEST (Check all that apply):

- Acquisition of State Assets
- Development of State Assets
- Maintenance of State Assets
- Grants to Local Governments
- Loans to Local Governments
- Other Grants (specify):

PROJECT CHARACTERISTICS (Check all that apply):

Health and Safety
 Enhancement of Existing Programs/Services
 Expansion of Existing Program/Services
 Provision of New Program/Services
 Other (specify):

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

X Cash: \$ _____ Fund _____
X Bonds: \$3,000 Tax Exempt X Taxable

STATE DEBT SERVICE PAYMENTS (Check all that apply):

X General Fund % of total 100
User Financing % of total

Source of funds

FUNDING SOURCES:

Previous Project Funding (all prior years)	.....	\$ 7,045
State funding received	.....	\$ 7,045
Federal funding received	.....	\$ -0-
Local government funding received	.....	\$ -0-
Private funding received	.....	\$ -0-
For 1996 Session (F.Y. 1996-97)		
State funding requested	.....	\$ 3,000
Federal funding	.....	\$ -0-
Local government funding	.....	\$ -0-
Private funding	.....	\$ -0-
For 1998 Session (F.Y. 1998-99)		
State funding estimate	.....	\$ 3,000
Federal funding	.....	\$ -0-
Local government funding	.....	\$ -0-
Private funding	.....	\$ -0-
For 2000 Session (F.Y. 2000-01)		
State funding estimate	.....	\$ 3,000
Federal funding	.....	\$ -0-
Local government funding	.....	\$ -0-
Private funding	.....	\$ -0-
Total Project Costs (all years)		
State funding requested(all years)	.....	\$ 16,045
Federal funding (all years)	.....	\$ -0-
Local government funding (all years)	.....	\$ -0-
Private funding (all years)	.....	\$ -0-

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

The 1995 legislature appropriated \$450 thousand for RIM Wildlife Habitat development.

GOVERNOR'S RECOMMENDATION:

The Governor recommends general obligation bonding of \$1.330 million for this project. Also included are budget planning estimates of \$1.330 million in 1998 and \$1.330 million in 2000.

The Governor has considered appropriations made in 1995 and recognizes the potential for future LCMR recommended funding in 1996-97.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	80
Safety Concerns	0/35/70/105	0
Customer Services/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	75
User and Non-State Financing	0-100	0
Asset Management	0/20/40/60	20
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	50
Total		330

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AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

AGENCY: Natural Resources, Department of
PROJECT TITLE: Water Access Rehabilitation

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$1,000
STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$1,000
STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$1,000
LOCATION (CAMPUS, CITY, COUNTY): Statewide

AGENCY PRIORITY (for projects in the 1996 session only):

NB11 of 20 requests

1. PROJECT DESCRIPTION:

This request for the Water Access Rehabilitation program will provide \$1 million for major rehabilitation of water access facilities including replacement of boat launch ramps, redesign, rebuilding, upgrading, resurfacing, and modification of parking lots and entrance road design and resurfacing. Resource management improvements included are shoreline stabilization, storm water management, and landscape improvements. The Department will complete approximately 10 major rehabilitation projects with the funds requested.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

DNR manages approximately 1,400 water access sites statewide. A typical water access site contains a boat launch ramp, parking lot, entrance road, and ancillary facilities such as docks, signing, and portable toilets in high use or urban areas. The program began in 1947 with over 900 sites constructed before 1970. With the increasing size of boats and trailers, coupled with the age of facilities, major rehabilitation of many sites is needed.

The Department's strategic plan report, *Directions for Natural Resources 1995*, outlines the major goals and strategies for achieving its mission and provides the framework for guiding budget investment decisions. This

request support the strategies in *Directions* by addressing the demand for opportunities for outdoor recreation.

DNR Directions: Build upon traditional natural resource management to provide products, services, and benefits consistent with a commitment to ecosystem-based management.

Water access sites provide the opportunity for anglers and boaters to recreate on Minnesota's lakes and rivers and, therefore, relate well to DNR's strategic goals.

The primary goal of the Water Access Rehabilitation Program is to protect the state's current investment in boat access facilities. We recognize the need to refurbish existing facilities, not only to ensure a quality experience for the user, but to bring facilities in line with current mandates and laws such as handicapped accessibility and storm water management. Projects initiated now will also eliminate more costly repairs in the future.

Technology changes also are driving the need for rehabilitation. Larger boats and trailers require better designed launch ramps, turn-arounds, and parking to ease congestion and prevent conflicts.

Access to Minnesota lakes and rivers continues to be in high demand. From the 1988 statewide boating survey conducted by the University of Minnesota, we know that three-fourths of the state's boat owners launch a boat at a free public water access site at least once each year. Boat owners launch a median of 6 times a year at 3 separate sites. Other uses of access sites were identified as shore and ice fishing, bird watching and various trail uses.

The University of Minnesota published a survey of Minnesota boaters in July 1995 that contains recommendations related to facilities that would add to a boater's experience. Among those recommendations are improving the condition of boat launch sites, providing an appropriate amount of parking at public launch sites, and maintaining high quality facilities.

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Boat registrations continue to increase at a rate of approximately 1% per year. For 1994, Minnesota was third in the nation with over 739,000 registered boats. Minnesota is highest in the nation in boats per capita with 1 boat for every 6 people.

Boat license records show that about 40% of Minnesota boaters live in the Twin Cities. Studies indicate about three-fourths of the boat owners boat with 49 miles of their home and over one-half boat more than 50 miles from home.

Water access sites add to the local economy and contribute to the quality of life of Minnesotans, a key component of ecosystem-based management. In greater Minnesota, a typical 20 car/trailer access generates \$40 thousand in spending which results in about \$25 thousand in income for local residents.

We are projecting that local government will provide about 10% cost sharing on water access projects. In addition, some sites are locally owned land, and local governments participate in the operation and maintenance.

Due to the federal Wallop-Breaux Act, Minnesota's water access program is eligible for federal financial assistance from 2 different sources. The federal Sport Fish Restoration Account requires that Minnesota spend 12.5% of its federal apportionment on boat access. These funds are earned using state acquisition and construction monies and are reimbursed at 75%. This means Minnesota must spend over \$1.2 million on boat access annually to earn \$900 thousand of federal funds. At the federal level, these funds are administered by the U.S. Fish and Wildlife Service.

The second source of federal funds is the Boat Safety Account. Minnesota receives \$500 thousand per year on a 50/50 match basis using state acquisition and construction funds. These funds are administered by the U.S. Coast Guard.

3. PREVIOUS PROJECT FUNDING:

N/A

4. OTHER CONSIDERATIONS (OPTIONAL):

Consequences: Under the Federal Wallop-Breaux Act, Minnesota is required to spend 12.5% of its federal allotment on boat access. These funds are earned using state acquisition and construction funds as a match. Without continued state appropriations, Minnesota could lose federal funds.

Maintenance: In order to provide high quality access sites, maintenance funds are provided for access sites statewide. In addition, the state is assisted by local units of government throughout the state who may provide the land and/or maintenance of the boat access facility. Maintenance costs could be reduced by as much as 25%.

5. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Michael T. Markell, Supervisor, Water Recreation Section, (612) 296-6413

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-2

TYPE OF REQUEST (Check all that apply):

Acquisition of State Assets
 Development of State Assets
 Maintenance of State Assets
 Grants to Local Governments
 Loans to Local Governments
 Other Grants (specify):

PROJECT CHARACTERISTICS (Check all that apply):

Health and Safety
 Enhancement of Existing Programs/Services
 Expansion of Existing Program/Services
 Provision of New Program/Services
 Other (specify):

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ _____ Fund _____
 Bonds: \$ 1,000 Tax Exempt Taxable _____

STATE DEBT SERVICE PAYMENTS (Check all that apply):

General Fund % of total 100
 User Financing % of total _____

Source of funds _____

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$	N/A
State funding received	\$	-0-
Federal funding received	\$	-0-
Local government funding received	\$	-0-
Private funding received	\$	-0-
For 1996 Session (F.Y. 1996-97)		
State funding requested	\$	1,000
Federal funding	\$	300
Local government funding	\$	100
Private funding	\$	-0-
For 1998 Session (F.Y. 1998-99)		
State funding estimate	\$	1,000
Federal funding	\$	300
Local government funding	\$	100
Private funding	\$	-0-
For 2000 Session (F.Y. 2000-01)		
State funding estimate	\$	1,000
Federal funding	\$	300
Local government funding	\$	100
Private funding	\$	-0-
Total Project Costs (all years)		
State funding requested(all years)	\$	4,200
Federal funding (all years)	\$	3,000
Local government funding (all years)	\$	900
Private funding (all years)	\$	300
	\$	-0-

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

The 1995 legislature appropriated \$600 thousand from the environmental trust fund for water access acquisition, development and rehab.

The Governor and legislature may also wish to consider the Water Recreation Account in the Natural Resources Fund as a source of funding for this request.

GOVERNOR'S RECOMMENDATION:

The Governor recommends general obligation bonding of \$500 thousand for this project. Also included are budget planning estimates of \$500 thousand in 1998 and \$500 thousand in 2000.

The Governor has considered appropriations made in 1995 and recognizes the potential for future LCMR recommended funding in 1996-97.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	80
Safety Concerns	0/35/70/105	0
Customer Services/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	30
Asset Management	0/20/40/60	40
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	0
Total		305

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

AGENCY: Natural Resources, Department of
PROJECT TITLE: Water Access Acquisition and Betterment

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$3,000
STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$3,000
STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$3,000

LOCATION (CAMPUS, CITY, COUNTY): Statewide

AGENCY PRIORITY (for projects in the 1996 session only):

NB12 of 20 requests

1. PROJECT DESCRIPTION:

This request for the Water Access Acquisition and Betterment will provide the public with access to Minnesota's lakes and rivers. Access includes fishing piers, shore fishing, and boat access.

Boat Access

This component of the program provides boat access to lakes and rivers that meet the needs of people with disabilities and that are in high demand by the public for many uses including but not limited to activities such as boating, sailing, fishing, and wildlife observation. A DNR public water access typically contains a boat launching ramp, signing and a parking lot. In high use areas, portable toilets, docks, safety lighting, safety and informational signing and landscaping are also provided.

This request will provide for approximately 25 boat access sites at a cost of \$2 million. About 33% of the projects will have non-state participation that includes direct financial contributions, land donations and in kind services such as maintenance and operation of the facilities. Sites are acquired and developed according to the priority of the lake and the availability of willing sellers.

Fishing Piers and Shore Fishing Access

The second component of the program is to provide angling opportunities through fishing piers and shoreline improvements for anglers who are not using a boat. Populations targeted by this activity include persons with disabilities, the elderly, and children.

Potential shore fishing sites are evaluated for the type of improvement needed: floating fishing pier, permanent pier, shore platform or shoreline modifications. Fishing piers and shoreline enhancements are barrier-free and are often operated and maintained by local units of government. Local governments also provide the land through cooperative agreement.

Fishing piers and shore fishing accesses are initiated by local angling groups or governments through an application process. Projects are then ranked by DNR. Currently, there is a backlog of 75. With this request, we anticipate funding approximately 40 fishing piers and shoreline improvements at a cost of \$1 million dollars.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

The Department's strategic plan report, *Directions for Natural Resources 1995*, outlines the major goals and strategies for achieving its mission and provides the framework for guiding budget investment decisions. This request supports the strategies in *Directions* by addressing the demand for opportunities for outdoor recreation, and developing partnerships with other government units, federal and local.

DNR Directions: Build upon traditional natural resource management to provide products, services, and benefits consistent with a commitment to ecosystem-based management.

DNR Directions: Use interdisciplinary teams and partner with citizens, local government, agencies, and other organizations to develop and implement shared management goals.

DNR Directions: Implement ecosystem-based approaches that integrate ecological, social, cultural and economic values into natural resource management.

DNR Directions: Create opportunities that engage citizens and public officials in education, discussion and decision making on natural resource issues and ecosystem-based management.

State law and DNR policy have long recognized the rights of citizens to use one of Minnesota's greatest resources: its lakes and rivers. This program provides

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

the mechanism for the public to use those waters by providing developed access sites for a variety of clientele.

Boat Access

Our first goal is to acquire and construct approximately 75 boat accesses over the next 6 years at a estimated cost of \$6 million. A priority listing of lakes was established in 1993 that identifies over 700 public access sites statewide yet to be acquired and/or developed. This list was established using the water access site criteria system based on lake size, lake type, and water clarity. In recent years, we have changed our approach to providing access by emphasizing cooperative projects and involving all the stakeholders, including angling groups and lake associations. Citizen participation requires much more time and effort in each project, but in the end the project is publicly acceptable and often the community feels an ownership of the facility. This also results in partnerships with local communities whereby both in-kind services and financial involvement in the project may be an outcome.

Access to Minnesota lakes and rivers continues to be in high demand. Several studies have been conducted over the last 7 years that indicate boaters' wants, needs and satisfaction with access facilities. From the 1988 statewide boating survey conducted by the University of Minnesota, we know that three-fourths of the state's boat owners launch a boat at a free public water access site at least once each year. Owners of boats 14 to 20 feet in length are most likely to use a free public access. Overall, owners launch a boat a median of 6 times a year at 3 different sites. Two-thirds of state's boat owners who own riverfront or lakeshore property use a public access site at least once each year. Although this survey is several years old, statisticians tell us it is still valid today.

In a survey by the University of Minnesota published in July 1995, over half the surveyed boating public identified the main reasons that they boat are to enjoy nature; escape personal/social pressures; be around people with similiar interests and promote family togetherness. This study led to several recommendations related to facility development: improve the condition of public launch sites; provide an appropriate amount of parking at public boat launch sites and continue to increase and improve the launch sites. These studies show the relationship of the program to ecosystem-based management strategies by providing a high quality of life through integrating social and cultural values into natural resource management.

Also, boat registrations continue to increase at a rate of approximately 1% per year. For 1994, Minnesota was third in the nation with over 739,000 registered boats. Minnesota is highest in the nation in boats per capita with 1 boat for every 6 people.

Suitable lakeshore for boat access sites is becoming more scarce due to private developments. As lakeshore property values continue to increase, acquisition funds do not purchase as much. If we do not accelerate acquisition, the public may be denied access or have severely restricted access to lakes and rivers.

Water access sites add to the local economy and contribute to the quality of life of Minnesotans, a key component of ecosystem-based management. For example, a typical 20 car/trailer access in greater Minnesota generates \$40 thousand in spending which results in about \$25 thousand in income for area residents.

Fishing Piers and Shore Fishing Access

Our second goal is to construct 120 fishing piers and shore fishing sites over the next 6 years at an estimated cost of \$3 million. Fishing piers and shoreline access sites are very popular, and there is a backlog of requests from local governments and angling clubs. Every year the fishing pier backlog of projects and new projects are reprioritized using ranking criteria developed by the DNR's Trails and Waterways Unit and the Section of Fisheries.

The demand for fishing access is higher in developed areas throughout the state. Piers are often located in a city or county park, in a community where larger populations of elderly, children, disabled persons, and where anglers without a boat will have access to them. Fishing piers are built by Prison Industries at Stillwater and installed by the DNR.

Fishing piers and shore fishing access projects provide social, cultural and economic benefits in the local community. Partnerships are created with local governments and various citizen groups to establish the piers and fishing sites. Stakeholders are involved in the decision making on site location, construction and operation. Care is taken to provide green space and a sense of belonging to the lakeshore environment by selecting the sites and pier locations that are aesthetically pleasing and designing them as part of the natural setting.

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

According to a 1994 DNR Shore Fishing Study of the Metropolitan area, about one-third of anglers fish from shore and two-thirds by boat. Shore fishing provides one-half million hours of fishing during the open water season. Shore fishing has a high minority participation, about 25%, with large lakes accounting for 50% of the fishing by minorities.

Program Information

The Water Access Acquisition and Betterment program fits well within DNR's strategic goals. The agency is providing opportunities to recreate on Minnesota's greatest resource: its lakes and rivers. Further, this activity adds to the local and statewide economy. Boating and fishing is big business in Minnesota and this program provides the major way people access their resource. Stakeholder involvement is crucial to the success of the program.

Minnesota boaters and anglers provide for the operation and maintenance of the facilities through the Water Recreation Account, which includes boat license fees and 1.5% of the highway gas tax receipts based on motor boat use. Using this account, the DNR provides public services by publishing free maps of the facilities and other information on fishing, boating and canoeing. In cooperation with DNR's boating safety personnel, the agency provides boating safety information at access sites and mark hazards on certain lakes and rivers.

Boat license records show that about 40% of Minnesota's boaters live in the Twin Cities. Studies indicate about three fourths of all boat owners boat within 49 miles of their home and over one-half boat more than 50 miles from home.

Many projects involve in-kind match and sometimes funding is provided by cooperating local governments. Land is always provided by local governments for piers and often for boat accesses.

Due to the federal Wallop-Breaux Act, Minnesota's water access program is eligible for federal financial assistance from 2 different sources. The federal Sport Fish Restoration Account requires that Minnesota spend 12.5% of its federal apportionment on boat access. These funds are earned using state acquisition and construction monies and are reimbursed at 75%. This means Minnesota must spend over \$1.2 million on boat access annually to earn \$900 thousand of federal funds. At the federal level, these funds are administered by the U.S. Fish and Wildlife Service.

The second source of federal financial assistance is the Boat Safety Account. Minnesota receives \$500 thousand per year on a 50/50 match basis using state acquisition and construction funds. These funds are administered by the U.S. Coast Guard.

As a result of the 2 federal financial assistance programs, Minnesota must annually spend over \$1.7 million on acquisition and development of boat access sites to meet requirements and maximize receipt of federal funds. Without increased capital expenditure appropriations, Minnesota's ability to earn federal funds is jeopardized.

Fishing piers also have been earning federal funds at a 75% reimbursement rate. Although not mandated specifically by federal law, they meet the federal requirements for eligibility and have traditionally received federal funds.

3. PREVIOUS PROJECT FUNDING:

M.L. 1985, 1SS, Ch. 15, \$400 bonding
M.L. 1987, Ch. 400, \$750 bonding
M.L. 1990, Ch. 610, \$700 bonding
M.L. 1993, Ch. 172, \$1,000 trust fund
M.L. 1993, Ch. 172, \$944 future resources
M.L. 1994, Ch. 643, \$350 bonding
M.L. 1994, Ch. 632, \$696 bonding
M.L. 1994, Ch. 632, \$154 future resources
Total \$4,994

4. OTHER CONSIDERATIONS (OPTIONAL):

Remarks: This program provides funding for acquisition and development of boat access sites that are very expensive to acquire and develop. It also provides fishing piers and shoreline access improvements which are not included in the department's regular budgets.

Consequences: Under the Federal Wallop-Breaux Act, Minnesota is required to spend 12.5% of its federal allotment on boat access. These funds are earned using state acquisition and construction funds as a match. Without continued state appropriations, Minnesota could lose federal funds.

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Maintenance: In order to provide high quality access sites and maintain amenities such as docks and toilet facilities, maintenance funds are provided for access sites statewide through the Water Recreation Account. Adding 25 boat access sites in a biennium will increase maintenance statewide at a cost of approximately \$15-20 thousand per year. In addition, the State is assisted by local units of government throughout the state when providing public access. In many cases, the State cooperatively develops a site by providing capital funds and, in turn, the local unit of government operates and maintains the site. Fishing piers and shore fishing sites are taken care of in a similar manner. Day-to-day maintenance is typically provided by local units of government and major repairs are funded by the State.

5. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Michael T. Markell, Supervisor, Water Recreation Section, (612) 296-6413

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-2

TYPE OF REQUEST (Check all that apply):

Acquisition of State Assets
 Development of State Assets
 Maintenance of State Assets
 Grants to Local Governments
 Loans to Local Governments
 Other Grants (specify):

PROJECT CHARACTERISTICS (Check all that apply):

Health and Safety
 Enhancement of Existing Programs/Services
 Expansion of Existing Program/Services
 Provision of New Program/Services
 Other (specify):

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ _____ Fund _____
 Bonds: \$ 3,000 Tax Exempt Taxable _____

STATE DEBT SERVICE PAYMENTS (Check all that apply):

General Fund % of total 100
 User Financing % of total _____

Source of funds _____

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ <u>4,994</u>
State funding received	\$ <u>4,994</u>
Federal funding received	\$ <u>-0-</u>
Local government funding received	\$ <u>-0-</u>
Private funding received	\$ <u>-0-</u>
For 1996 Session (F.Y. 1996-97)	
State funding requested	\$ <u>3,000</u>
Federal funding	\$ <u>1,000</u>
Local government funding	\$ <u>250</u>
Private funding	\$ <u>-0-</u>
For 1998 Session (F.Y. 1998-99)	
State funding estimate	\$ <u>3,000</u>
Federal funding	\$ <u>1,000</u>
Local government funding	\$ <u>250</u>
Private funding	\$ <u>-0-</u>
For 2000 Session (F.Y. 2000-01)	
State funding estimate	\$ <u>3,000</u>
Federal funding	\$ <u>1,000</u>
Local government funding	\$ <u>250</u>
Private funding	\$ <u>-0-</u>
Total Project Costs (all years)	
State funding requested(all years)	\$ <u>13,994</u>
Federal funding (all years)	\$ <u>3,000</u>
Local government funding (all years)	\$ <u>750</u>
Private funding (all years)	\$ <u>-0-</u>

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

The 1995 legislature appropriated \$600 thousand from the environmental trust fund for water access, acquisition, development and rehabilitation.

The Governor and legislature may also wish to consider the Water Recreation Account in the Natural Resources Fund as a source of funding for this request.

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend capital funds for this project.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	80
Safety Concerns	0/35/70/105	0
Customer Services/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	30
Asset Management	0/20/40/60	0
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	0
Total		265

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

AGENCY: Natural Resources, Department of
PROJECT TITLE: St. Louis River Land Acquisition

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$2,200
STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$0-
STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$0-
LOCATION (CAMPUS, CITY, COUNTY): St. Louis County

AGENCY PRIORITY (for projects in the 1996 session only):

NB13 of 20 requests

1. PROJECT DESCRIPTION:

This request will provide \$2.2 million for the second phase of the acquisition of privately held, undeveloped lands located along the St. Louis, Cloquet and Whiteface rivers. These lands offer high quality resource, scenic, recreation, historic and archaeological values. The opportunity to purchase the lands resulted from a grass-roots initiative to preserve these riparian lands for public use.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

The Department's strategic plan report, *Directions for Natural Resources 1995*, outlines the major goals and strategies for achieving its mission and provides the framework for guiding budget investment decisions. This request supports the strategies in *Directions* by addressing the need to protect significant natural resources through acquisition and improvement of existing holdings, and to develop partnerships with other agencies and organizations.

DNR Directions: concentrate efforts on ecosystems of special value or concern, or experiencing the greatest pressure from human activity.

DNR Directions: to use interdisciplinary teams and partner with citizens, local governments, agencies and other organizations to develop and implement shared management goals.

This project will build on the local river planning project funded by the 1991 legislature. It is a cooperative effort between the DNR, the Minnesota Power Company (MP) and the Saint Louis River Board (SLRB) to acquire lands identified in the *Saint Louis River Management Plan (SLRMP)*.

This funding will be used to acquire lands identified in the SLRMP, which was adopted by the SLRB in 1994. The SLRB is a Joint Powers Board whose membership includes elected officials appointed by each member county, township and the Fond du Lac Reservation. The members have volunteered their time to formulate the SLRMP, which provides for adequate protection of the rivers' ecosystem in the areas of land use, forestry management and land acquisition.

Funding this project will satisfy the commitment written in M.L. 1994 Chapter 643, Section 23, Subd. 22, where the legislature stated its intent to appropriate money to complete the acquisition of approximately 22,000 acres of contiguous riparian lands before 7/1/96. If funding for acquisition is not appropriated by 7/1/96, MP is not obligated to donate land valued \$1.1 million and may begin selling land to private parties.

Based on an appraisal completed in 1994, the total amount needed to acquire available MP lands is estimated at \$5.5 million. Previous funding authorized is \$2.2 million. Additional financing has been guaranteed by MP in the form of a minimum land donation of 20% of the total value of the land, or approximately \$1.1 million, subject to the completion of the entire acquisition package. Therefore, an additional \$2.2 million is requested to complete the acquisition of MP lands.

3. PREVIOUS PROJECT FUNDING:

M.L. 1993, Chapter 172, Section 14 \$1,000 trust fund
M.L. 1994, Chapter 643, Section 23 \$1,200 bonding

4. OTHER CONSIDERATIONS (OPTIONAL):

None.

5. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Steve Mueller, Program Coordinator, (612) 297-4955

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-2

TYPE OF REQUEST (Check all that apply):

- Acquisition of State Assets
- Development of State Assets
- Maintenance of State Assets
- Grants to Local Governments
- Loans to Local Governments
- Other Grants (specify):

PROJECT CHARACTERISTICS (Check all that apply):

- Health and Safety
- Enhancement of Existing Programs/Services
- Expansion of Existing Program/Services
- Provision of New Program/Services
- Other (specify): Preservation of a unique resource

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

- Cash: \$ Fund _____
- Bonds: \$ 2,200 Tax Exempt Taxable _____

STATE DEBT SERVICE PAYMENTS (Check all that apply):

- General Fund % of total 100
- User Financing % of total _____

Source of funds _____

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ 2,200
State funding received	\$ 2,200
Federal funding received	\$ -0-
Local government funding received	\$ -0-
Private funding received	\$ -0-
 For 1996 Session (F.Y. 1996-97)	
State funding requested	\$ 2,200
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ 1,100
 For 1998 Session (F.Y. 1998-99)	
State funding estimate	\$ -0-
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-
 For 2000 Session (F.Y. 2000-01)	
State funding estimate	\$ -0-
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-
 Total Project Costs (all years)	\$ 5,500
State funding requested(all years)	\$ 4,400
Federal funding (all years)	\$ -0-
Local government funding (all years)	\$ -0-
Private funding (all years)	\$ 1,100

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-3

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

GOVERNOR'S RECOMMENDATION:

The Governor recommends general obligation bonding of \$2.2 million for this project.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	80
Safety Concerns	0/35/70/105	0
Customer Services/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	33
Asset Management	0/20/40/60	0
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	50
Total		318

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AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

AGENCY: Natural Resources, Department of
PROJECT TITLE: RIM - Wildlife and Natural Area Land Acquisition (Wildlife Management Areas, Scientific and Natural Areas, Prairie Bank Easements, N.A. Waterfowl Management Plan, Critical Habitat Match)

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$6,000
STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$6,000
STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$6,000
LOCATION (CAMPUS, CITY, COUNTY): State Wide

AGENCY PRIORITY (for projects in the 1996 session only):

NB14 of 20 requests

1. PROJECT DESCRIPTION:

Introduction: There are a number of statewide acquisition programs to protect important habitat for Minnesota's wildlife and native plants. This \$6 million request covers all these programs administered by the DNR's Section of Wildlife. This request has statewide significance because it supports 5 statewide programs that each protect the highest priority wetland, wildlife, native prairie and natural area resources throughout the state.

Each acquisition program protects different resources and provides different recreational opportunities for Minnesotans and non-residents. These programs also take advantage of opportunities to leverage state funding with private and federal funds. These acquisition programs have historically been funded through bonding and the environmental trust fund.

A. Wildlife Management Areas (WMAs) (\$1.0 million F.Y. 96-7)

This request would provide for accelerated wildlife land acquisition efforts with a major emphasis on completing existing WMAs, protecting habitat for rare and endangered species, and restoring drained wetlands. The Wildlife Management Area System (1,230 units, 734,000 acquired acres) protects critical wildlife habitat across the state and provides high quality recreational opportunities for hunting, trapping, wildlife observation and other uses.

M.S. 86A.04, Subd.8. states, A state wildlife management area shall be established to protect those lands and waters which have high potential for

wildlife production and to develop and manage those lands and waters for the production of wildlife, for public hunting, fishing, and trapping, and for other compatible outdoor recreational uses.

B. Scientific and Natural Areas (SNAs) (\$1.0 million F.Y. 1996-97)

This request is for the acquisition of lands and waters that qualify as scientific and natural areas. SNAs are sites of statewide significance that preserve examples of plant communities, geological features, landforms, and rare and endangered species habitat. Examples are an old growth pine forests, a gravel esker, a peatland, and habitat for a species such as the prairie white-fringed orchid. These sites are preserved for these rare features and for their scientific and educational value for present and future generations.

M.S. 86A.05, Subd. 5. states, A state scientific and natural area shall be established to protect and perpetuate in an undisturbed natural state those natural features which possess exceptional scientific or educational value.

C. Prairie Bank Easements (\$.5 million F.Y. 96-7)

This request is for funds to be used to acquire prairie bank easements to protect the remaining native prairie in the state. The Native Prairie Bank Program was established by the 1987 legislature to protect native prairie lands by entering into perpetual conservation easements with landowners. MS 84.96, Sec. 19 states, *The commissioner shall establish a native prairie bank, determine where prairie land is located in the state, and prescribe eligibility requirements for inclusion of land in the native prairie bank.* These easements provide protection for the prairie resource while the land remains in private ownership.

To be eligible for Prairie Bank a tract must be *covered by native prairie vegetation, must never have been plowed, and must have less than 10% tree cover.*

The Native Prairie Bank Program is administered by the Scientific and Natural Areas Program. Priority sites and target areas are selected by the SNA program based on the established criteria and other factors listed above. Landowners apply directly to the program, or are directed to it through other conservation agencies and offices.

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

D. Critical Habitat Match (\$2.5 million F.Y. 96-7)

The RIM Critical Habitat Matching Program (CHM) provides an opportunity for private individuals, groups, and businesses to help fund the cost of acquiring or improving critical fish, wildlife, and native plant habitats. State funds are matched dollar-for-dollar by contributions of land, easements or cash. Cash donations and state matching dollars are used statewide to: 1) purchase critical parcels of land for wildlife management areas, scientific and natural areas, aquatic management areas, and occasionally state parks, or state forests; and 2) enhance fish, wildlife and native plant habitat on public lands and waters.

E. North American Waterfowl Management Plan (\$1.0 million F.Y. 96-7)

The North American Waterfowl Management Plan is a cooperative effort by federal, state, and local governments and private organizations in Canada, Mexico and the U.S. to stabilize and restore continental waterfowl populations by preserving and restoring adequate wetland habitats. Funding for this project will be used to acquire and restore wetlands and associated uplands in key locations of Minnesota.

Minnesota has the most duck hunters of any state in the Mississippi flyway and is a key waterfowl production state. Minnesota has always been a leader in waterfowl conservation, and is committed to fulfilling habitat objectives defined in the management plan and the state's implementation plan.

Under the state implementation plan, 168,000 acres of wetlands and associated uplands must be acquired by the year 2001 in the prairie region of Minnesota to meet waterfowl population objectives. This includes acquisition currently being realized under existing programs by the DNR and U.S. Fish and Wildlife Service. Meeting these goals will require accelerating current acquisition rates. Other land management initiatives would also be required such as private lands management and lake reclamation, but are not covered by this work plan.

Most of this acquisition would occur in the prairie pothole region of Minnesota, and would benefit all species of prairie wildlife. Project areas for acquisitions and wetland restorations in Minnesota are: Heron Lake watershed, Swan Lake watershed, Red River Valley watershed, Cannon River watershed and Minnesota River watershed. Federal matching money is available through the North American Wetland Conservation Act (NAWCA)

on a competitive basis at a ratio of 5:1 to 1:1. To date the agency has been very successful obtaining matching NAWCA funds for acquisition and restoration project.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

All of the following projects would help meet the Resource Management Goal in the Department's strategic plan report, *Directions for Natural Resources 1995: "To maintain, enhance, or restore ecosystems to assure ecological integrity while providing for sustainable use of natural resources for social and economic purposes."* This will be especially important for the strategy *"Concentrate efforts on ecosystems of special value or concern, or experiencing the greatest pressure from human activity."*

A. Wildlife Management Areas

Acquisition of wildlife lands are guided by statute, *Fish and Wildlife Long Range Plan* and the *Wildlife Management Area Long-Range Acquisition Plan*. The acquisition goal is to acquire 1 million acres of wildlife lands by the year 2000. The acquisition objective was established on the basis of the needs of various wildlife species and availability of lands within each county. The division's acquisition priority lists are based on willing sellers within project boundaries.

Historic wetland losses combined with the continuing destruction of upland habitat has significantly diminished our wildlife resources. Acquisition and restoration of wildlife habitat is the most effective way to improve wildlife populations. Trends in the use of wildlife lands indicate a growing demand by citizens and visitors for wildlife related recreational opportunities.

Funds for acquisition have not been adequate, resulting in lost opportunities to purchase priority wildlife lands. Presently, there are willing sellers for \$4.2 million of priority WMA lands within existing previously approved active projects. If these lands are not acquired now the state may not have an opportunity to purchase them for many decades and some of the areas may be destroyed if they are not protected. Many of the tracts are crucial to complete priority wetland and habitat development.

The above acquisition goal cannot be met without new appropriations for this

AGENCY CAPITAL BUDGET REQUEST
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purpose. Existing funds from the wildlife acquisition surcharge provides about \$550 annually for acquisition. Critical habitat match has helped, but acquisition is often restricted by donation contingencies.

Additional bonding funds are needed to acquire project inholdings and to meet the long-range goal. Funds under this request would allow the purchase of up to 1,500 acres of critical wildlife habitat per biennium, helping to ensure the future status of wildlife populations and quality outdoor experiences.

B. Scientific and Natural Areas

At the present time 103 scientific and natural areas covering 169,464 acres have been protected. Of this total, 146,238 acres are in 16 ecologically significant peatlands, legislatively protected by the Wetland Conservation Act of 1991. All SNA meet the following agency long range goals; *"protecting and managing Minnesota's diverse ecosystems..., preserving biological diversity....., preserving unique natural resources..., and using cost effective methods to acquire...resources."*

This request for SNA acquisition follows the Long Range Plan for Scientific and Natural Areas. In 1980, the LCMR, as a part of its oversight of agency acquisition work programs, mandated that the SNA Program develop a Long Range Plan (LRP). This LRP was again approved by the LCMR in 1991 when the plan was updated.

The LRP divides the state into 18 ecological landscape regions based on soils, geological history, and presettlement vegetation. The LRP establishes a policy of protecting multiple sites in each landscape to preserve the genetic diversity inherent in each of these landscapes. The LRP arrived at this approach after extensive consultation with other states and agencies involved in natural area and rare species protection efforts.

To ensure the protection of the genetic and biological diversity of the state, the LRP uses a 2 tier approach; a coarse filter and a fine filter approach. Plant community sites are the coarse filter. Plant communities protect many different plant species, common and uncommon. The rationale is that if you protect a plant community you protect an array of species, plants and often animals, most commonly associated with it. To this end the LRP calls for protecting at least 5 examples (sites) of each plant community found in a particular landscape region.

Sites for protecting plant, animal, and geological features are the fine filter. Protection efforts here focus on one species or feature. This action ensures one of the best sites in the landscape for a particular rare or unique attribute is protected, thereby helping to ensure the survival of a species or protection of a feature. The site may not be a state significant example of a plant community or protect many other plant or animal species. The LRP calls for protecting at least 3 examples of each species or feature important sites found in any particular landscape region.

The ensuing system of multiple sites, protected in each landscape region, for species, geological features and plant communities ensures that the genetic/biological diversity of the landscape is retained. It also prevents the loss of important species, plant communities and features from accidental or willful human disturbance and natural catastrophe. This strategy can be summed up as a ecological policy of not putting all your eggs in one basket.

Minnesota has approximately 500 features that are tracked by the department to ensure their protection. While many of these features are found across several landscape regions others may be restricted to one. To ensure all of these entities are preserved it is estimated that a system of 500 natural areas will be needed by the year 2085* to adequately protect these features in a system of multiple sites. Since an average of 8 rare features are protected on any given site, 500 sites is estimated to be needed to meet long term protection goals. Minnesota is one of the few states that have attempted to establish a goal as to the number of sites that would ultimately be needed to protect the state's rare features. Most other states continue to protect all sites identified, subject to available funds.

Protection priorities for SNA are identified through the inventory and assessment efforts of the Heritage and County Biological Survey (CBS). The CBS is a systematic county by county inventory of all natural features that presently remain in Minnesota. Priorities from the CBS, assessment of historical occurrences of rare features (in counties where CBS is not completed), and past Heritage inventory efforts, enable the SNA Program to identify and pursue the best possible sites for protection. Some sites are acquired in counties where the CBS or Heritage Program has not completed an inventory. In these cases protection priorities are influenced by historical data, immediate threats to critical parcels, knowledge of co-occurrences of rarity, data from federally funded inventories (federal endangered species efforts), and other first hand knowledge of a site. The process used to

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identify protection priorities often allows the SNA Program to meet multiple protection objectives (communities and species/geological features) while protecting one site.

Protection efforts also entail a continual review of the existing public land base to determine the occurrence of rare species, geological features and plant communities. If significant occurrences are found on public land the site will be considered for SNA designation. Gifts of lands are another method by which SNAs are protected. Acquisition is used to protect occurrences of rare features in private ownership where similar features are not adequately protected on the public land. Based on historical protection efforts, it is estimated that 35% of the 500 natural areas necessary to meet the goals of the LRP will be protected through acquisition. It is anticipated that gifts of land will account for 40% and public land dedication for 25% of the protection efforts necessary to meet this goal.

It is estimated that protection of 49 known ecological priorities as SNA's would cost over \$10 million. The requested level of funding for SNA acquisition could protect over 1,000 acres of virgin prairies, old growth forests, geological features, rare species habitats and 1,000 acres of lands in peatland SNA. To acquire the remaining 48,000 acres of lands in peatland SNA owned by counties and others would require an additional \$3 million. Protection costs are based on average costs to acquire critical SNA lands over the past few years.

* This 100 year goal was set in 1985, hence the year 2085.

C. Prairie Bank Easements

Native prairie is Minnesota's most endangered natural habitat type. The state once had over 18 million acres of prairie. Today less than one percent remains (an estimated 150,000 acres). These lands are home to more rare and endangered plants and animals than any of Minnesota's other natural habitats - over 100 different species. The 1987 Legislature, enacted the Native Prairie Bank (M.S. 84.96 Sec. 19) and the Prairie Landscape Reserve Program (M.S. 84.91 Sec. 98.1) to recognize the value of native prairie and to mandate its restoration, management and protection. The Prairie Landscape Reserve bill requires the department to plan for the restoration and management of prairie on a landscape scale. Landscape reserves are to be composed of integrated networks of protected prairie lands, prairie restoration

sites, and private prairie lands where compatible agricultural practices are encouraged. Prairie bank easements were seen as another key protection tool to link these parcels together since landowners are often reluctant to sell or to give up certain agricultural practices.

The 1987 law also established a prairie biologist position within the Scientific and Natural Areas Program to carry out prairie landscape planning and management.

Prairies provide excellent wildlife habitat for nesting waterfowl, pheasant, and other upland nesting birds in addition to protecting rare species. The rich soil of most of Minnesota's productive farmland was formed under a prairie sod. Today, native prairies also are important for agricultural research (soil fertility and crop development) and provide valuable hay and pasture lands.

The near elimination of native prairie in Minnesota has spurred a concerted effort to protect the remaining parcels. The DNR has purchased native prairie as part of state Scientific and Natural Areas, Wildlife Management Areas, and State Parks. In addition, the USFWS and private conservation groups such as The Nature Conservancy have protected prairie lands. Many additional prairie species, however, will be endangered if more private prairie habitat is lost. Prairie bank provides an alternative for preserving prairie on private land.

Seventy-five percent of the state's native prairie, is privately owned. The long range goal of the Native Prairie Bank program is to protect 75,000 acres of native prairie on private land. In the next 10 years our goal is to enroll about a third of this (20-25,000 acres). This funding request would enroll an estimated 15 prairie tracts, protecting about 1,500 acres of prairie on private land in F.Y. 1996-97. The Native Prairie Bank Program provides many landowners the option to keep the land in private ownership while protecting the prairie for future generations.

If no action is taken prairie lands would be lost to continued agricultural conversion and intensive grazing.

D. Critical Habitat Match

CHM projects are guided by the division's acquisition priority lists that are based on their long range plan. Priorities are provided by area and regional managers and the CHM committee. Donations are evaluated according to the criteria set forth in statute and rule.

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Non-Building Project Detail (Cont'd.)
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This program has received over \$13 million in private contributions that match state funds appropriated for CHM. The average donation level for the past several years has been \$1.5 million per year.

E. North American Waterfowl Management Plan

This project directly fulfills objectives within the Section of Wildlife's strategic plan relating to wetlands and wetland wildlife. The DNR's *Long-range Plan for Waterfowl* has the goal of maintaining current diversity and distribution of waterfowl populations and increasing numbers for maximum recreational, hunting and viewing opportunities.

Successful implementation could directly add up to 1,000 acres of wetlands and adjacent uplands to the Wildlife Management Area and Scientific and Natural Area systems. A reduced level of effort would make timely achievement of plan goals impossible. Federal matching grants are available on a competitive basis to extend the accomplishments of this budget.

This wetland protection and restoration program is different from other state wetland programs for these reasons:

- The plan is a cooperative and coordinated effort among many agencies and private sector partners. The partnerships fosters considerable leveraging.
- The plan is an acceleration of existing efforts to stabilize and restore wildlife populations and habitats before this opportunity is lost.
- The plan is directed to specific joint venture areas and key watersheds within these joint ventures. These often complement other state priorities (e.g. cleanup of Minnesota River).
- The plan has an implementation horizon to the year 2001 so the program has an imminent sunset date. Federal matching funds may be unavailable after that.
- Key areas for acquisition include those with high biodiversity and other wildlife use; this helps maximize benefits and allows priority targeting. Generally, several additional partners both public and private, have joined the effort.

This acquisition program permanently protects wetlands communities through public ownership and complements the RIM Reserve program that protects and restores wetlands on private lands.

3. PREVIOUS PROJECT FUNDING:

A. Wildlife Management Areas

1985	Bonding	\$275	
1987	Bonding	\$1,300	
1989	Bonding	\$500	
1990	Bonding	\$300	
1994	Bonding	\$700	
	TOTAL	\$3,075	

B. Scientific and Natural Areas

1985	Bonding	\$60	
1987	Bonding	\$1,000	
1990	Bonding	\$600	
1991	Future Resources	\$300	
1992	Bonding	\$100	
1993	Trust Fund	\$1,000	
1994	Bonding	\$1,000	
	TOTAL	\$4,060	

3. PREVIOUS PROJECT FUNDING: (Continued)

C. Prairie Bank			
1987	Bonding	\$300	
1990	Bonding	\$100	
1993	Trust Fund	\$100	
1994	Bonding	\$300	
	TOTAL	\$800	

D. Critical Habitat Match

1986	Bonding	\$2,500	
1987	Bonding	\$1,300	
1989	Bonding	\$1,000	
1990	Bonding	\$500	
1991	Bonding	\$3,000	
1992	Bonding	\$1,250	
1993	Trust Fund	\$2,600	
1994	Bonding	\$1,000	
1995	Trust Fund	\$250	
	TOTAL	\$13,400	

AGENCY CAPITAL BUDGET REQUEST
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E. North American Waterfowl Management Plan

1987	Future Resources Fund	\$1,250
1991	Future Resources Fund	\$1,000
1993	Trust Fund	\$300
1994	Bonding	\$1,000
1995	Trust Fund	\$510
1995	Future Resources	<u>140</u>
	TOTAL	\$4,200

4. OTHER CONSIDERATIONS (OPTIONAL):

A. Wildlife Management Areas

Valuable wetland acreage and critical upland wildlife habitat would be permanently lost if acquisition funds are not available. Completing acquisition of parcels within existing WMA project areas would enhance public use and management efforts and safeguard past investments.

In addition to protecting wildlife habitat, the WMA acquisition program is important in conserving surface water, preserving unique vegetation, natural beauty and open space, and providing areas for outdoor recreation compatible with wildlife management.

B. Scientific and Natural Areas

If significant sites are not acquired, rare and endangered species, geological features, and native plant communities will be lost to urban development, agricultural expansion, mining, silvicultural management and other land uses. These sites can not be recreated once they are lost. 81% of Minnesotans surveyed believe natural areas need to be protected.

C. Prairie Bank Easements

The tall grass prairie once stretched from southern Manitoba to the Gulf of Mexico. Ironically, the little that is left of Minnesota's prairies represents one of the best opportunities on the continent to preserve the biodiversity of this major ecosystem. Only the Flint Hills of Kansas and Oklahoma have anything similar. The future of many prairie plant and animal species depends on what happens here in Minnesota.

Funding for prairie bank is limited. The following factors help to determine which eligible parcels will be accepted:

■ Relationship to other units:

- is the tract part of a Prairie Landscape Reserve?
- is the tract adjacent to DNR, USFWS or other public land?

■ Inventory:

- is there good information on the availability of this prairie type from the Natural Heritage Program or other sources?
- has the County Biological survey been completed for the area?

■ Quality:

- does the tract contain high quality prairie?
- does the tract contain rare species?

■ Jeopardy:

- will the tract be lost if action is not taken?

■ Acquisition:

- is the landowner interested in selling?
- does the state want less than fee title ownership?

For a permanent easement the landowner is paid 65% of the RIM permanent marginal agricultural land payment rate (equal to 58% of the average estimated market value of cropland in the township). For an easement of limited duration the landowner is paid 65% of the permanent prairie bank easement. If the landowner is interested in continuing agricultural uses such as limited haying or grazing, a set of conditions and practices are developed (often in consultation with SCS, MES or SWCD) that would allow such use yet still protect the prairie. The payment rate is adjusted to reflect the retention of these rights.

D. Critical Habitat Match

The CHM Program is one of the most innovative and successful programs in the country for enhancing environmental quality and fish, wildlife, and native plant habitats. Additional CHM funds will encourage matching private donations to protect and enhance additional crucial habitat for fish, wildlife, and rare and endangered species, as well as provide additional areas for related recreation. Without adequate state matching dollars, potential donations could be lost.

The 1994 Legislature appropriated \$1.0 million from bonding for the CHM program. All previous appropriations to CHM have been matched by private donations. As of May 1995, CHM donation pledges exceed state appropriation by \$3 million. Additional state funds will be needed from bonding to meet the needs for F.Y. 1996 and F.Y. 1997.

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
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E. North American Waterfowl Management Plan

Since 1989 state appropriations since 1989 for management plan activities, primarily at the Swan and Heron lakes projects, have been approved for match by federal dollars (\$3.5 million) through the North American Wetland Conservation Act (NAWCA). To date, more federal match has been available than state seed money. State dollars, therefore, appropriated through bonding have a good chance of being leveraged to achieve objectives. State funds can be matched up to 1:1 under the Act grant process, which is competitive and subject to annual federal appropriations. Other project dollars are also leveraged from other public and private partners.

5. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Kim Hennings
Wildlife Acquisition Coordinator
612-297-2823

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont'd.)
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TYPE OF REQUEST (Check all that apply):

Acquisition of State Assets
 Development of State Assets
 Maintenance of State Assets
 Grants to Local Governments
 Loans to Local Governments
 Other Grants (specify):

PROJECT CHARACTERISTICS (Check all that apply):

Health and Safety
 Enhancement of Existing Programs/Services
 Expansion of Existing Program/Services
 Provision of New Program/Services
 Other (specify):

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ _____ Fund _____
 Bonds: \$ 6,000 Tax Exempt Taxable _____

STATE DEBT SERVICE PAYMENTS (Check all that apply):

General Fund % of total 100
 User Financing % of total _____

Source of funds _____

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ 43,035
State funding received	\$ 25,535
Federal funding received	\$ 3,500
Local government funding received	\$ -0-
Private funding received	\$ 14,000
For 1996 Session (F.Y. 1996-97)	
State funding requested	\$ 6,000
Federal funding	\$ 1,000
Local government funding	\$ -0-
Private funding	\$ 2,500
For 1998 Session (F.Y. 1998-99)	
State funding estimate	\$ 6,000
Federal funding	\$ 1,000
Local government funding	\$ -0-
Private funding	\$ 2,500
For 2000 Session (F.Y. 2000-01)	
State funding estimate	\$ 6,000
Federal funding	\$ 1,000
Local government funding	\$ -0-
Private funding	\$ 2,500
Total Project Costs (all years)	
State funding requested(all years)	\$ 43,535
Federal funding (all years)	\$ 6,500
Local government funding (all years)	\$ -0-
Private funding (all years)	\$ 21,500

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

The 1995 legislature appropriated \$900 thousand for this request category from the environmental trust fund.

The Governor and legislature may wish to consider the Game and Fish Fund as a funding source for the wildlife management area acquisition portion of this request.

GOVERNOR'S RECOMMENDATION:

The Governor recommends general obligation bonding of \$2.4 million for this project. Also included are budget planning estimates of \$2.4 million in 1998 and \$2.4 million in 2000.

The Governor has considered appropriations made in 1995 and recognizes the potential for future LCMR recommended funding in 1996-97.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	80
Safety Concerns	0/35/70/105	0
Customer Services/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	37
Asset Management	0/20/40/60	0
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	50
Total		322

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AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

AGENCY: Natural Resources, Department of
PROJECT TITLE: RIM - Fish and Wildlife Fisheries Acquisition

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$3,000
STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$500
STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$500
LOCATION (CAMPUS, CITY, COUNTY): State Wide

AGENCY PRIORITY (for projects in the 1996 session only):

NB15 of 20 requests

1. PROJECT DESCRIPTION:

In accordance with the Department's strategic plan "Directions", \$500 thousand in funds are requested for acquisition of trout stream easements and aquatic management areas for fisheries management purposes. An additional \$2.5 million is requested for emergency acquisition for a property on the east branch of Eagle Creek, Scott County.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

The Department's strategic plan report, *Directions for Natural Resources 1995*, outlines the major goals and strategies for achieving its mission and provides the framework for guiding budget investment decisions. This request supports the strategies in *Directions* by addressing the need to protect significant natural resources through acquisition/easements and improvement of existing holdings, and the demand for opportunities for outdoor recreation.

DNR Directions: Concentrate efforts on ecosystems of special value or concern, or experiencing the greatest pressure from human activity.

DNR Directions: Build upon traditional natural resource management to provide products, services, and benefits consistent with a commitment to ecosystem-based management.

Fisheries acquisition projects are included both in the department's 6-year strategic plans and are identified in the state's 6-year planning estimates.

Acquisition of trout stream easements has been the most important component of the fisheries acquisition program. Trout streams are considered by the public to be a precious state resource and are highly vulnerable to degradation. Easements provide environmental protection of the riparian zone and angler access. Easements also provide access for DNR personnel and constituent cooperators to participate in trout habitat improvement projects.

Acquisition of warm water stream easements and aquatic management areas is a new component of the fisheries acquisition program. Easement acquisition on warm water streams has the same benefits as for trout streams. Aquatic Management Areas (AMAs) were authorized by the 1992 legislature as part of the Outdoor Recreation System. AMAs are intended to protect critical fisheries habitats such as sensitive riparian areas and undeveloped lakeshores. Areas targeted will include unique or important habitats such as aquatic plant beds or fish spawning areas. The demand for lake shore property continues to increase causing more development of shoreline areas. Lakeshore development has adversely affected fisheries habitat through shoreline modifications and removal of aquatic vegetation. Critical spring areas along trout streams have been adversely impacted in some cases and need protection to enhance water quality. AMAs will provide opportunities to add needed protection to the fisheries resource.

The long range goal for fisheries acquisition is to acquire approximately 1,200 miles of stream easements and lakeshore. There are currently about 200 miles of trout stream easements and 25 acres of aquatic management areas. The goal through F.Y. 2001 is to acquire an additional 72 miles at a cost of about \$1.5 million. This requires funding at \$500 thousand in each of the next 3 biennia.

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
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Form F-1

An additional \$2.5 million is requested for F.Y. 1996-97 to acquire a 157 acre parcel on the east branch of Eagle Creek, Scott County. Intensive urbanization of the area threatens the sustainability of this trout stream. The current landowner wishes to sell within the next 12-24 months and the sale is conditioned on acquisition of the entire parcel. This opportunity will likely be lost if delayed until later requests. Nearly all of the east branch and an adjacent wetland are located on this property. The west branch was recently protected through acquisition of a wide corridor area. To date 7 metro trout streams have been lost to various impacts of urbanization.

3. PREVIOUS PROJECT FUNDING:

Appropriations for acquisition include:

M.L. 1985	1SS Chapter 15	90	bonding
M.L. 1987	Chapter 400	100	bonding
M.L. 1990	Chapter 610	201	bonding
M.L. 1993	Chapter 172	300	trust fund
M.L. 1995	Chapter 400	300	trust fund
M.L. 1995	1SS Chapter 2	<u>\$1,500</u>	bonding
	Total	<u>\$2,491</u>	

The following amounts have been spent for activities related to acquisition from the fisheries operating budget: in F.Y. 1994, \$33 thousand (almost entirely from license fees); and in F.Y. 1993, \$88 thousand (\$31 thousand from license fees, \$18 thousand from surcharge, and \$39 thousand from trout stamp). This was used to fund the salaries of agency personnel involved in the acquisition process (contacting landowners, project proposals, etc.).

The 1995 legislature appropriated \$1.5 million to protect the state-designated trout stream named Eagle Creek located in Scott County in the city of Savage by acquiring portions of the creek and adjacent springs, seeps, wetlands, and other lands necessary to protect the creek.

4. OTHER CONSIDERATIONS (OPTIONAL):

While a prioritized list of projects has been prepared, acquisition takes place on a "willing seller" basis. As a result the list of specific parcels that will be purchased with this appropriation is subject to change.

5. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Ron Payer, Fisheries Operations Manager, 612-297-4918
Steve Hirsch, Fisheries Program Manager, 612-296-0791

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-2

TYPE OF REQUEST (Check all that apply):

Acquisition of State Assets
 Development of State Assets
 Maintenance of State Assets
 Grants to Local Governments
 Loans to Local Governments
 Other Grants (specify):

PROJECT CHARACTERISTICS (Check all that apply):

Health and Safety
 Enhancement of Existing Programs/Services
 Expansion of Existing Program/Services
 Provision of New Program/Services
 Other (specify):

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ _____ Fund _____
 Bonds: \$ 3,000 Tax Exempt Taxable _____

STATE DEBT SERVICE PAYMENTS (Check all that apply):

General Fund % of total 100
 User Financing % of total _____

Source of funds _____

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ <u>2,491</u>
State funding received	\$ <u>2,491</u>
Federal funding received	\$ <u>-0-</u>
Local government funding received	\$ <u>-0-</u>
Private funding received	\$ <u>-0-</u>
For 1996 Session (F.Y. 1996-97)	
State funding requested	\$ <u>3,000</u>
Federal funding	\$ <u>-0-</u>
Local government funding	\$ <u>-0-</u>
Private funding	\$ <u>-0-</u>
For 1998 Session (F.Y. 1998-99)	
State funding estimate	\$ <u>500</u>
Federal funding	\$ <u>-0-</u>
Local government funding	\$ <u>-0-</u>
Private funding	\$ <u>-0-</u>
For 2000 Session (F.Y. 2000-01)	
State funding estimate	\$ <u>500</u>
Federal funding	\$ <u>-0-</u>
Local government funding	\$ <u>-0-</u>
Private funding	\$ <u>-0-</u>
Total Project Costs (all years)	
State funding requested(all years)	\$ <u>6,491</u>
Federal funding (all years)	\$ <u>-0-</u>
Local government funding (all years)	\$ <u>-0-</u>
Private funding (all years)	\$ <u>-0-</u>

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

The Governor and legislature may also want to consider the Game and Fish Fund as a source of funding for this request.

The 1995 Legislature appropriated \$1.5 million from bonding for this request category.

GOVERNOR'S RECOMMENDATION:

The Governor recommends general obligation bonding of \$500 thousand for this project. Also included are budget planning estimates of \$500 thousand in 1998 and \$500 thousand in 2000.

The Governor has considered appropriations made in 1995 and recognizes the potential for future LCMR recommended funding in 1996-97.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	80
Safety Concerns	0/35/70/105	0
Customer Services/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	0
Asset Management	0/20/40/60	0
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	0
Total		235

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail
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Dollars in Thousands (\$137,500 = \$138)

Form F-1

AGENCY: Natural Resources, Department of
PROJECT TITLE: Trail Acquisition, Development and Betterment

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$5,500
STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$5,000
STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$5,000
LOCATION (CAMPUS, CITY, COUNTY): Statewide

AGENCY PRIORITY (for projects in the 1996 session only):

NB16 of 20 requests

1. PROJECT DESCRIPTION:

This request will provide \$5.5 million for development, betterment and land acquisition on 5 state trails authorized in M.S. Chap. 85.015. All development will be in accordance with trail master plans as adopted. Recreational users served by this proposal include bicyclists, hikers, snowmobilers, cross-country skiers and equestrians.

Paul Bunyan State Trail \$2,700

- to continue development on 50 miles of the Paul Bunyan Trail
- to acquire various parcels that are needed to complete this project, primarily for access into the City of Bemidji

Luce Line State Trail \$1,000

- to initiate development on 32 miles from Winsted to Cosmos
- to acquire reroutes around severances in the trail

Heartland State Trail and Gateway Trail Extension \$400

- to start development of the Heartland Trail from Walker to Cass Lake
- to continue the development of the Gateway Trail toward downtown St. Paul

NOTE: both projects may qualify for Intermodal Surface Transportation Efficiency Act (ISTEA) matching funds

Root River and Blufflands State Trails \$1,200

- to complete development of the extension to the Root River Trail to Houston and the Blufflands Trail to Harmony.

Shooting Star State Trail \$200

- to continue acquisition and development

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

The Department's strategic plan report, *Directions for Natural Resources 1995*, outlines the major goals and strategies for achieving its mission and provides the framework for guiding budget investment decisions. This request supports the strategies in *Directions* by addressing the demand for opportunities for outdoor recreation.

DNR Directions: Build upon traditional natural resource management to provide products, services and benefits consistent with a commitment to ecosystem-based management.

DNR Directions: Create opportunities that engage citizens and public officials in education, discussion and decision-making on natural resource issues and ecosystem-based management.

DNR Directions: Use interdisciplinary teams and partner with citizens, local governments, agencies, and other organizations to develop and implement shared management goals.

The state has already purchased most of the property needed to continue several of these projects, such as the Paul Bunyan, Heartland, Luce Line and Arrowhead Trails. The state is already incurring costs to maintain and operate them on an interim basis without enjoying the economic benefits that could result once full development takes place.

Budgets will be required to operate and maintain all trail segments included in this proposal. They will take the form of labor salary, equipment, supplies and

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

materials, and professional service. Exact costs are subject to the combination of trail uses served by the trail, the level of use that develops, length and intensity of winter recreational seasons, location within the state, and economic conditions.

Maintenance and operations costs for multi-use trails range from \$7 hundred to \$15 hundred per mile per year. This estimate is based on \$5 hundred to \$1 thousand per mile per year for warm season trail maintenance, plus \$2 hundred to \$5 hundred per year for winter trail maintenance. Applying these cost factors to capital budget request, we anticipate a net increase to our maintenance programs of approximately \$60 thousand per year. Funding for maintenance and operations is from a combination of sources including General Fund and dedicated snowmobile and cross-country ski accounts.

All projects meet demonstrated recreational needs. Customer service will be improved by adding services where none now exist. The extensions requested here will allow other communities in the area to benefit from the trail plus improving the quality of service offered trail users. Also, all of these projects are continuations of existing projects that are partially completed or were started with appropriations through the previous capital budget.

Some of these trails are already supporting significant recreational use according to the results of our past surveys.

The completed portion of the Heartland Trail is from Park Rapids to Walker. The average user of this trail is 102 miles away from his or her permanent home. The 1989 summer survey estimated 47,330 people used the trail during the survey season, which was an increase of 16% from the summer of 1987. This trail is also heavily used during the winter by snowmobiling.

The Luce Line Trail, located in the western metropolitan area, supports continuous year-round use. The use pattern is week-long rather than concentrated on weekends (only 32%). 1990 use from May 20 to September 8 was estimated at up to 66,300.

3. PREVIOUS PROJECT FUNDING:

Funding authorized during the last 10 years for state trail acquisition and betterment is approximately \$19.2 million.

M.L. 1985	1SS Chap. 15	\$1,100	bonding
M.L. 1987	Chap 400	3,700	bonding
M.L. 1989	Chap 300	1,200	bonding
M.L. 1990	Chap 610	3,500	bonding
M.L. 1991	Chap 254	1,000	bonding
M.L. 1992	Chap 558	1,000	bonding
M.L. 1994	Chap 643	4,778	bonding
M.L. 1993	Chap 172	2,527	trust fund
M.L. 1995	Chap 220	250	trust fund
M.L. 1993	Chap 172	54	future resources
M.L. 1995	Chap 220	100	future resources
	Total	\$19,209	

4. OTHER CONSIDERATIONS (OPTIONAL):

Because of their location and high quality attractions, these trails offer great potential for return on state funds. These trails support year-round, intensive use. They have regional reputations, enjoy local governmental support and support from citizens.

5. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Thomas R. Danger, Supervisor, Trail Recreation Section, (612) 296-4782

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-2

TYPE OF REQUEST (Check all that apply):

Acquisition of State Assets
 Development of State Assets
 Maintenance of State Assets
 Grants to Local Governments
 Loans to Local Governments
 Other Grants (specify):

PROJECT CHARACTERISTICS (Check all that apply):

Health and Safety
 Enhancement of Existing Programs/Services
 Expansion of Existing Program/Services
 Provision of New Program/Services
 Other (specify):

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ Fund _____
 Bonds: \$ 5,500 Tax Exempt Taxable _____

STATE DEBT SERVICE PAYMENTS (Check all that apply):

General Fund % of total 100
 User Financing % of total _____

Source of funds _____

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ 21,009
State funding received	\$ 19,209
Federal funding received	\$ 1,800
Local government funding received	\$ -0-
Private funding received	\$ -0-
For 1996 Session (F.Y. 1996-97)	
State funding requested	\$ 5,500
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-
For 1998 Session (F.Y. 1998-99)	
State funding estimate	\$ 5,000
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-
For 2000 Session (F.Y. 2000-01)	
State funding estimate	\$ 5,000
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-
Total Project Costs (all years)	
State funding requested(all years)	\$ 34,709
Federal funding (all years)	\$ 1,800
Local government funding (all years)	\$ -0-
Private funding (all years)	\$ -0-

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

GOVERNOR'S RECOMMENDATION:

The Governor recommends general obligation bonding of \$3.5 million for this project. Also included are budget planning estimates of \$3.5 million in 1998 and \$3.5 million in 2000.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	80
Safety Concerns	0/35/70/105	0
Customer Services/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	0
Asset Management	0/20/40/60	20
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	50
Total		305

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

AGENCY: Natural Resources, Department of
PROJECT TITLE: State Park and Recreation Area Acquisition

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$4,000
STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$4,000
STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$4,000
LOCATION (CAMPUS, CITY, COUNTY): State Wide

AGENCY PRIORITY (for projects in the 1996 session only):

NB17 of 20 requests

1. PROJECT DESCRIPTION:

This request is for \$4 million to acquire private lands within legislatively established state park and recreation area boundaries. This level of funding will enable the department to acquire approximately 2,000 acres per year. Lands will only be purchased from willing sellers at appraised values.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

The state park system was established to protect and preserve the state's unique natural and cultural resources while providing opportunities for outdoor recreation and enjoyment.

The state park system is constantly faced with the threat of non-conforming uses from private inholdings. Housing and commercial developments, industrial uses such as gravel mining are examples of the conflicting uses that occur within park and recreation boundaries.

Directions for Natural Resources 1995 outlines the major goals and strategies for achieving its mission and provides the framework for guiding budget investment decisions. This request supports the strategies in *Directions*, the state park acquisition program, and state park management plan, etc. for the acquisition of private in-holdings within existing manage-

ment units.

DNR Directions: Concentrate efforts in ecosystems of special value or concern, or experiencing the greatest pressure from human activity.

DNR Directions: Implement ecosystem-based approaches that integrate ecological, social, cultural and economic values into resources management.

DNR Directions: Advocate economic, ecological, and social policies that promote the sustainability of ecosystems.

DNR Directions: Build upon traditional natural resource management to provide products, services and benefits consistent with a commitment to ecosystem-based management.

GOAL: The goal of the state park acquisition program is to purchase all private lands within the legislatively authorized state park and recreation area boundaries that are offered for sale by willing sellers over the next 10 years. Of the 223,800 acres that fall within authorized state park and recreation area boundaries, approximately 13% or 29,700 acres is privately owned. It would cost approximately \$30 million to acquire this private land.

Available funding will be used to purchase inholdings. Eliminating inholdings prevents conflicts between private use and the resource management and protection goals of state park and recreation areas. An example is the private land within the boundary at Blue Mounds State Park where the current owner is proposing a gravel pit operation that will severely impact the park. The noise pollution alone will severely impact the park users experience.

Acquiring 4,000 acres per biennium at an average cost of \$1 thousand per acre will keep pace with willing sellers in the park system.

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

3. PREVIOUS PROJECT FUNDING:

The following appropriations have been authorized to acquire private lands from willing sellers within established park boundaries.

M.L. 1985	1SS Chapt 15	\$ 600	bonding
M.L. 1987	Chapt 400	1,200	bonding
M.L. 1992	Chapt 558	600	bonding
M.L. 1994	Chapt 643	2,000	bonding
M.L. 1995	Chap 220	<u>2,190</u>	trust fund
	Total	\$ 6,590	

4. OTHER CONSIDERATIONS (OPTIONAL):

The acquisition goals are outlined in each state park management plan, the Division of Parks Capital Improvement plan and *Directions for Natural Resources 1995*.

The attached priority list is based on our most current knowledge of willing sellers and is based on information developed by park and regional staff.

5. PROJECT CONTACT PERSON, TITLE, AND PHONE:

John Strohkirch, State Park Development and Real Estate Manager, 612-296-8289.

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-2

TYPE OF REQUEST (Check all that apply):

- Acquisition of State Assets
- Development of State Assets
- Maintenance of State Assets
- Grants to Local Governments
- Loans to Local Governments
- Other Grants (specify):

PROJECT CHARACTERISTICS (Check all that apply):

- Health and Safety
- Enhancement of Existing Programs/Services
- Expansion of Existing Program/Services
- Provision of New Program/Services
- Other (specify): Protection of outstanding natural and cultural resources, critical habitats

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

- Cash: \$ _____ Fund _____
- Bonds: \$ 4,000 Tax Exempt Taxable _____

STATE DEBT SERVICE PAYMENTS (Check all that apply):

- General Fund % of total 100
- User Financing % of total _____
- Source of funds _____

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ <u>6,590</u>
State funding received	\$ <u>6,590</u>
Federal funding received	\$ <u>-0-</u>
Local government funding received	\$ <u>-0-</u>
Private funding received	\$ <u>-0-</u>
 For 1996 Session (F.Y. 1996-97)	
State funding requested	\$ <u>4,000</u>
Federal funding	\$ <u>-0-</u>
Local government funding	\$ <u>-0-</u>
Private funding	\$ <u>-0-</u>
 For 1998 Session (F.Y. 1998-99)	
State funding estimate	\$ <u>4,000</u>
Federal funding	\$ <u>-0-</u>
Local government funding	\$ <u>-0-</u>
Private funding	\$ <u>-0-</u>
 For 2000 Session (F.Y. 2000-01)	
State funding estimate	\$ <u>4,000</u>
Federal funding	\$ <u>-0-</u>
Local government funding	\$ <u>-0-</u>
Private funding	\$ <u>-0-</u>
 Total Project Costs (all years)	\$ <u>18,590</u>
State funding requested(all years)	\$ <u>18,590</u>
Federal funding (all years)	\$ <u>-0-</u>
Local government funding (all years)	\$ <u>-0-</u>
Private funding (all years)	\$ <u>-0-</u>

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-3

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

The 1995 Legislature appropriated \$4.27 million from the Environmental Trust Fund for state park and recreation area acquisition, betterment, development and rehab.

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend capital funds for this project.

The Governor has considered appropriations made in 1995 and recognizes the potential for future LCMR recommended funding in 1996-97.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	80
Safety Concerns	0/35/70/105	0
Customer Services/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	0
Asset Management	0/20/40/60	0
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	50
Total		285

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

AGENCY: Natural Resources, Department of
PROJECT TITLE: State Forest Land Acquisition

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$2,000
STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$1,000
STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$1,000
LOCATION (CAMPUS, CITY, COUNTY): Statewide

AGENCY PRIORITY (for projects in the 1996 session only):

NB18 of 20 requests

1. PROJECT DESCRIPTION:

DNR is a major land management agency in Minnesota. Forestry administers nearly 4.4 million acres of the roughly 5.3 million acres of DNR-administered land. Minnesota has 14.7 million acres of commercial forest land. These lands are about equally divided between public (53%) and private (47%) landowners. Forestry manages about 20% of the commercial forest land in Minnesota.

This funding request will be used to acquire 5,000 acres of private land from willing sellers within the existing boundaries of 8 state forests:

R.J. Dorer Memorial Hardwood Forest	3,500 acres	\$2,300
Sand Dunes State Forest	740 acres	\$1,200
Other State Forests	<u>760</u> acres	\$ 500
Total	5,000 acres	\$4,000

**2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE
STRATEGIC GOALS AND CAPITAL PLAN:**

The Department's strategic plan report, *Directions for Natural Resources 1995* outlines the major goals and strategies for achieving its mission and provides the framework for guiding budget investment decisions. This request supports the strategies in *Directions*, the Minnesota Forest

Resources Plan, Area Forest Resources Plans, etc., for the acquisition of private in-holdings within existing management units.

DNR Directions: Concentrate efforts in ecosystems of special value or concern, or experiencing the greatest pressure from human activity.

DNR Directions: Implement ecosystem-based approaches that integrate ecological, social, cultural and economic values into resources management.

DNR Directions: Advocate economic, ecological, and social policies that promote the sustainability of ecosystems.

DNR Directions: Build upon traditional natural resource management to provide products, services, and benefits consistent with a commitment to ecosystem-based management.

Minnesota Forest Resources Plan: Achieve the optimum pattern of forest land ownership for the management of forest resources designed to best serve the needs of Minnesota's citizens while maximizing long-term resource and economic benefits through efficient resource management, land acquisition, leasing, sale, and exchange.

Continue to purchase lands in the R.J. Dorer Memorial Hardwood Forest to meet goals outlined in A Plan for Land Acquisition (MN DNR, October, 1979) and in the Lewiston Area Forest Resource Management Plan(FRMP) MN DNR. December, 1988).

Continue to purchase lands in the Sand Dunes State Forest as outlined in the Cambridge Area Forest Resource Management Plan, (FRMP) MNDNR, March, 1988.

Continue to purchase lands in other state forests as identified in Area Forest Resources Plans as funding is available.

State forest lands include a mix of large contiguous blocks and small isolated parcels. This checkerboard pattern of public land ownership is inefficient to manage. Dispersed ownership increases the costs of on-site

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

management and in determining property corners, maintaining property lines, providing road access and preventing trespass.

One objective of this request is to eliminate private in-holdings within the existing boundaries of a few state forests to provide more contiguous units for more efficient management and reduced mixed-ownership conflicts (e.g., trespass, conflicting land-use). Larger, more contiguous blocks of state forest land are also important in addressing the conservation of biological diversity and to promote ecosystem-based management.

Land acquisition is undertaken on a case-by-case basis for specific purposes such as improving management efficiency, protecting key forest resources and maintaining an adequate public forest resource base to provide for multiple-use forest values.

The land acquisition proposals contained in this capital budget request are in state forests where private inholdings are susceptible to residential and commercial development and that receive heavy recreational use because of their proximity to expanding urban areas and tourist centers. Continued recreation and development pressures in these areas will make state forest land more and more valuable since opportunities for dispersed recreation are not available on private land and other public land.

Thirty-eight thousand acres remain to be acquired in the R.J. Dorer Memorial Hardwood Forest at an estimated cost of \$24 million. This request for \$2.3 million (3,500 acres) is what realistically could be accomplished during this funding period given the availability of willing sellers and the division's capacity for processing acquisitions. The 1979 acquisition plan identified the need for public ownership in southeastern Minnesota to enhance long range stability of natural resources in the area, protect critical resources (e.g., soils, waters, and forests), provide public access to area forests and to demonstrate forest management. The 1988 Lewiston Area FRMP stated the acquisition is particularly important at this time because lands previously purchased are beginning to reach their capacity for public recreation uses.

The Cambridge Area Forest Resource Management Plan (March, 1988) identified approximately 1,400 acres of privately owned land to acquire

primarily to prevent future residential and commercial development pressures and to provide additional dispersed recreation and other forest related resources within the boundaries of the Sand Dunes State Forest. 740 acres would be acquired under this proposal. Easy access to the adjoining public land and its closeness to the metropolitan area make private land within the boundaries of the forest a prime target for real estate speculation and residential development. Residential development has increased dramatically on private lands in recent years. Sherburne County is the fastest growing county in the state according to the state demographer.

The fire potential in the Sand Dunes State Forest is high because of the conifer plantations surrounding the forest. The Environmental Assessment for Sand Dunes State Forest (1976) describes the impacts, social and physical, of acquiring nearly 2 thousand acres of private land within the Sand Dunes State Forest. Much of the same rationale for purchasing private lands within the forest are presented in that document.

The primary emphasis for acquisition in other state forests is to acquire private land to minimize inholdings within established blocks of state ownership and to form a more contiguous state ownership pattern within the forests. Private inholdings lead to trespass problems for both the state and the private landowner. Further residential development on private lands adjacent to and especially on inholdings surrounded by state ownership would have severe impacts on the character of surrounding resources. The effectiveness and efficiency of resource management on state land would also be severely compromised. Other criteria for acquisition include providing additional dispersed recreation opportunities, providing needed access for forest resource management and recreation, facilitating trail and road routing, and the protection of wetlands.

3. PREVIOUS PROJECT FUNDING:

Previous appropriations for state forest land acquisition include:

M.L. 1985	1SS Chapt 15	\$600	bonding
M.L. 1987	Chapt 400	\$500	bonding
M.L. 1990	Chapt 610	\$500	bonding

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

M.L. 1991 Chapt 254	\$145	bonding
M.L. 1991 Chapt 254	\$500	trust fund
M.L. 1992 Chapt 558	\$385	bonding
M.L. 1993 Chapt 373	\$60	bonding
M.L. 1994 Chapt 643	<u>\$250</u>	bonding
Total	\$2,940	

4. OTHER CONSIDERATIONS (OPTIONAL):

Deferral of this project would result in continued inefficiencies in management, and problems with encroachment, trespass, and conflicting land-use. In state forests closer to population centers, deferral would likely result in increased residential development on private land within the forest boundary. Residential development on identified parcels would make future acquisition for resource management and recreation virtually impossible.

In addition, the subdivision of private land within blocks of state-owned land undermines the DNR's ability to manage the surrounding state land for the good of the general public (i.e., the owner's of these private in-holdings often have a disproportionately large voice in how surrounding state lands are used and managed).

5. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Barry Morse, State Land Management Supervisor
612/296-4482

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-2

TYPE OF REQUEST (Check all that apply):

Acquisition of State Assets
 Development of State Assets
 Maintenance of State Assets
 Grants to Local Governments
 Loans to Local Governments
 Other Grants (specify):

PROJECT CHARACTERISTICS (Check all that apply):

Health and Safety
 Enhancement of Existing Programs/Services
 Expansion of Existing Program/Services
 Provision of New Program/Services
 Other (specify): Preservation of existing capital assets.

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ _____ Fund _____
 Bonds: \$ 2,000 Tax Exempt Taxable _____

STATE DEBT SERVICE PAYMENTS (Check all that apply):

General Fund % of total 100
 User Financing % of total _____

Source of funds _____

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ 2,940
State funding received	\$ 2,940
Federal funding received	\$ -0-
Local government funding received	\$ -0-
Private funding received	\$ -0-

For 1996 Session (F.Y. 1996-97)

State funding requested	\$ 2,000
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-

For 1998 Session (F.Y. 1998-99)

State funding estimate	\$ 1,000
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-

For 2000 Session (F.Y. 2000-01)

State funding estimate	\$ 1,000
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-

Total Project Costs (all years)	\$ 6,940
State funding requested(all years)	\$ 6,940
Federal funding (all years)	\$ -0-
Local government funding (all years)	\$ -0-
Private funding (all years)	\$ -0-

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend capital funds for this project.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	40
Safety Concerns	0/35/70/105	0
Customer Services/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	25
User and Non-State Financing	0-100	0
Asset Management	0/20/40/60	0
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	50
Total		220

96 LAND ACQUISITION - 6 YEAR CAPITAL BUDGET REQUEST

PRI	YR	RAD	PROJECT NAME	CNTY	SF	PROJECT DESCRIPTION	EST. COST
1	96	500	R. J. DORER ACQUISTION	GOODHUE FILLMORE HOUSTON OLMSTED WABASHA WINONA	RJ DORER	ACQUIRE THE FOLLOWING ACRES IN THE FOREST 150 225 225 100 200 200 1100	\$140,000 \$145,000 \$150,000 \$150,000 \$135,000 \$140,000 \$860,000
2	96	351	SAND DUNES ACQUISITION	SHER-BURNE	SAND DUNES	ACQUIRE 500 ACRES IN THE FOREST	\$805,000
3	96	300	MISCELLANEOUS FOREST ACQUISITION	CASS CASS WADENA CROW WNG CASS PINE MILLE LCS	PILLSBURY FOOTHILLS HUNTRVL CROW WNG LAND O LKS ST. CROIX RUM RIVER	ACQUIRE THE FOLLOWING ACRES IN IN THESE STATE FORESTS 80 80 40 80 80 80 60 500	\$ 50,000 \$ 50,000 \$ 50,000 \$ 50,000 \$ 50,000 \$ 50,000 \$ 36,000 \$336,000
						GRAND TOTAL	\$2,000,000

98 LAND ACQUISITION - 6 YEAR CAPITAL BUDGET REQUEST

PRI	YR	RAD	PROJECT NAME	CNTY	SF	PROJECT DESCRIPTION	EST. COST
1	98	500	R. J. DORER ACQUISITION	VARIOUS	RJ DORER	ACQUIRE 575 ACRES IN THE FOREST	\$450,000
2	98	351	SAND DUNES ACQUISITION	SHER-BURNE	SAND DUNES	ACQUIRE 240 ACRES IN THE FOREST	\$460,000
3	98	300	MISCELLANEOUS FOREST ACQUISITION	VARIOUS	VARIOUS	ACQUIRE 150 ACRES IN A NUMBER OF STATE FORESTS	\$90,000
GRAND TOTAL							\$1,000,000

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AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

AGENCY: Natural Resources, Department of
PROJECT TITLE: Lake Superior Harbors

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$1,500
STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$3,270
STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$6,400
LOCATION (CAMPUS, CITY, COUNTY): Taconite Harbor, Cook County

AGENCY PRIORITY (for projects in the 1996 session only):

NB19 of 20 requests

1. PROJECT DESCRIPTION:

This request for \$1.5 million will provide funds in F.Y. 1996-97 to develop a new protected public water access at Taconite Harbor on Lake Superior. This site was chosen as the preferred alternative after several years of study by the Schroeder Citizen Advisory Group. The Town of Schroeder, Cook County, the North Shore Management Board (NSMB), the Sugarloaf Interpretive Center Association, LTV Steel Mining Company and other interests have been partners in the development of this proposal and have resolved to support the department's plan to proceed at this alternative location.

This partnership will extend beyond the planning phase to include in-kind services during the development, operation and maintenance of the facility. LTV Steel has proposed that the DNR lease the land for one dollar per year instead of purchase. This will save the state the considerable cost of the land acquisition. LTV will provide the rock needed for the project, thereby, lowering the initial construction cost estimate. The operation, maintenance and security of the facility will be done in cooperation with the local units of government.

The F.Y. 1998-99 request is for harbor entrance reconfiguration, public access and other safety improvements at the Knife River Marina (\$3.0 million) and upgrading the existing public access at Horseshoe Bay (\$270 thousand) near Hovland. These two communities are working with the DNR

to finalize plans. The F.Y. 2000-01 request is for a small craft harbor in Agate Bay in Two Harbors (\$3.4 million), and a McQuade Road protected public water access (\$3.0 million) in the City of Duluth and the towns of Lakewood and Duluth. All projects follow the same process in which the local units of government initiate the implementation process by appointing a committee that will make recommendations to DNR.

In general, the public access facilities will be funded 100% by the state while the small craft harbors will be a combination of federal, state and local funding. All of these projects will qualify for reimbursement under the federal Wallop Breaux Act and/or a boating safety match from the U.S. Coast Guard.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

The basis for these requests is the *North Shore Harbors Plan*. The Legislative Commission on Minnesota Resources (LCMR) recommended funding for the *North Shore Harbors Plan* in 1989 to study boating safety issues and identify feasible safe harbors and boat accesses along the North Shore. The plan was completed in 1990 and approved by all of the local units of government, the DNR, the North Shore Management Board (NSMB), and the LCMR in 1991. It recommends a system of harbors and public accesses along the North Shore and suggests that local units of government take the lead with planning.

Safety

Currently, there are no small craft safe harbors along the North Shore of Lake Superior between Knife River and Grand Marais, a distance of about 90 miles. This interval does not meet the recommended safe harbor standards used by Wisconsin, Michigan and the U.S. Army Corps of Engineers. Wisconsin's distance interval is 10 to 15 miles between facilities, while the U.S. Army Corps and Michigan standard interval is 30 miles. The lack of safe harbors, protected launching and retrieval facilities is a major barrier to boating, fishing, and small craft commercial operations on the lake.

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

The north shore of Lake Superior is the most dangerous coast on the Great Lakes because of its rocky shoreline, frequency of unexpected and violent storms, and extremely cold waters (anyone in the water will quickly succumb to hypothermia). Small craft traveling the shore or using the few existing unprotected accesses must look to the few commercial ore boat harbors or the few natural cove areas for protection when needed. Many of these emergency refuge sites are still dangerous because of high waves within the basin during storms.

The number of boaters on Lake Superior in small craft has increased significantly in the past decade. During that time, few improvements have been made that enhance the safety of these users. The *North Shore Harbors Plan* addressed the issue of boating safety on Lake Superior and outlined steps to meet this need.

The need for the system of harbors and protected accesses on Lake Superior is documented by the U of M's 1989 survey of boat owners and other surveys done by the NSMB. The 1989 survey showed that 44% of Minnesota's boat owners would like to boat or boat more often on Lake Superior. However, boaters cited safety concerns and limited lake access as barriers to boating on Lake Superior.

Strategic Linkage

The Department's strategic plan report, *Directions for Natural Resources 1995*, outlines the major goals and strategies for achieving its mission and provides the framework for guiding budget investment decisions. This request supports the strategies in *Directions* by addressing public safety needs, the demand for opportunities for outdoor recreation, and developing partnerships with other agencies and organizations.

DNR Directions: Build upon traditional natural resource management to provide products, services, and benefits consistent with a commitment to ecosystem-based management.

DNR Directions: Advocate economic, ecological and social policies that promote sustainable ecosystems.

Boating, fishing and diving on Lake Superior is a sustainable use of natural resources that benefits the state's residents both economically and socially. Over the years, millions of dollars have been spent on the DNR's Lake Superior fish management program. Since parts of the lake are far from existing harbors, this program improves access to the fisheries resource and the lake in general.

This program also presents an opportunity to influence the land use patterns on the North Shore by concentrating recreational development in communities. The safe harbors project enjoys wide support from those interested in sustainable development along the North Shore.

In addition, this program also presents the opportunity to diversify the economy in the identified communities, many of which rely heavily on the forest and mining industries. Harbors will be a catalyst for other tourist oriented businesses and may weigh heavily in the locating decisions of potential new industry.

DNR Directions: To use interdisciplinary teams and partner with citizens, local governments, agencies, and other organizations to develop and implement shared management goals.

DNR Directions: Create opportunities that engage citizens and public officials in education, discussion, and decision-making on natural resource issues and ecosystem based management.

M.S. Chapter 86A.20 establishes a safe harbors program for Lake Superior. The law authorizes DNR to develop and operate, in cooperation with the local units of government, small craft harbors in Knife River, Two Harbors, Silver Bay, Grand Marais, and Grand Portage. The DNR is also working with local governments under the authority of M.S. Chapter 97A.141 to develop protected public water access sites in other locations. DNR has played a leadership role on the North Shore by providing technical assistance, research, and grants to local communities to develop project proposals.

These requests were developed using a process that starts with a citizen advisory committee in the local community, seeks support of the local and regional governments and advisory boards, and concludes with submittal of

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

the project to the DNR for approval. All projects in this request were developed with the support of the local unit of government and the NSMB. The Taconite Harbor request is supported by resolutions from the Town of Schroeder, the Cook County Board of Commissioners, the NSMB, and various environmental organizations.

DNR Directions: Concentrate efforts on ecosystems of special value or concern, or experiencing the greatest pressure from human activity.

The north shore of Lake Superior is a resource that is under great pressure from human activity. Surveys have shown considerable demand among the boating, fishing, and tourism communities for additional access and safety. This demand is being driven by a rebound in the fisheries resource and North Shore tourism. The demand for commercial tour boats focusing on the scenic resource and ship wrecks has also increased.

User/Non-State Financing/Economic Impacts

Harbors can sustain themselves economically after the initial investments in non-revenue producing structures (breakwater and basin construction). They can also encourage economic growth nearby while satisfying the need for safety on the lake. It is estimated that the economic impact of operating the harbor system will average over \$1.2 million per year and sustain the equivalent of 30 full-time jobs after construction is complete. Prior to that, the economic projections for the Silver Bay and Knife River projects indicate that construction and reconstruction is expected to have over \$3.5 million total effect on the local economy and require over 60 full-time employees (FTEs). Estimates of new income generated range from \$3.00 to \$6.00 for every dollar invested.

Funding and contributions to these requests from non-state sources will be diverse and unique to each project. In addition to state funds, the Silver Bay harbor has received funds from congress, IRRRB, the city of Silver Bay, and in-kind services from Northshore Mining Company. The Taconite Harbor project will receive in-kind services from LTV Steel Mining Company and the town of Schroeder.

All projects will be supported by user financing. Harbor projects that include marina services will benefit from boat slip rentals and sale of marine fuel and services. Funds that exceed operational costs will be dedicated to long term maintenance and operation of the entire system. Even though Taconite Harbor is a non-pay facility, it is an integral part of the North Shore harbor system, and therefore, will be the recipient of revenues generated in other fee based facilities. Taconite Harbor will also be eligible for reimbursement from the Federal Wallop-Breaux boating funds. Users also directly support these facilities with their registration fees and gasoline taxes that are dedicated to the water recreation account.

3. PREVIOUS PROJECT FUNDING:

Previous appropriations include:

ML 1993	Chapt 172	\$1,000	future resources
ML 1994	Chapt 643	\$2,200	bonding
ML 1994	Chapt 632	\$1,000	future resources
	Total	\$4,200	

4. OTHER CONSIDERATIONS (OPTIONAL):

None.

5. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Dorian Grilley, North Shore Harbors Coordinator, (612) 297-3427
Michael T. Markell, Supervisor, Water Recreation Section (612) 296-6413

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-2

TYPE OF REQUEST (Check all that apply):

Acquisition of State Assets
 Development of State Assets
 Maintenance of State Assets
 Grants to Local Governments
 Loans to Local Governments
 Other Grants (specify):

PROJECT CHARACTERISTICS (Check all that apply):

Health and Safety
 Enhancement of Existing Programs/Services
 Expansion of Existing Program/Services
 Provision of New Program/Services
 Other (specify):

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ _____ Fund _____
 Bonds: \$ 1,500 Tax Exempt Taxable _____

STATE DEBT SERVICE PAYMENTS (Check all that apply):

General Fund % of total 100
 User Financing % of total _____

Source of funds General Funds

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ <u>7,300</u>
State funding received	\$ <u>4,200</u>
Federal funding received	\$ <u>2,600</u>
Local government funding received	\$ <u>500</u>
Private funding received	\$ <u>-0-</u>

For 1996 Session (F.Y. 1996-97)

State funding requested	\$ <u>1,500</u>
Federal funding	\$ <u>-0-</u>
Local government funding	\$ <u>-0-</u>
Private funding	\$ <u>-0-</u>

For 1998 Session (F.Y. 1998-99)

State funding estimate	\$ <u>3,270</u>
Federal funding	\$ <u>3,000</u>
Local government funding	\$ <u>500</u>
Private funding	\$ <u>500</u>

For 2000 Session (F.Y. 2000-01)

State funding estimate	\$ <u>6,400</u>
Federal funding	\$ <u>2,000</u>
Local government funding	\$ <u>1,000</u>
Private funding	\$ <u>500</u>

Total Project Costs (all years)	\$ <u>25,470</u>
State funding requested(all years)	\$ <u>15,370</u>
Federal funding (all years)	\$ <u>7,600</u>
Local government funding (all years)	\$ <u>1,500</u>
Private funding (all years)	\$ <u>1,000</u>

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

DEPARTMENT OF ADMINISTRATION ANALYSIS:

This is a non-building request and therefore not subject to review by Department of Administration. The Lake Superior Harbors project covered by this request is not expected to present a predesign submittal but would require legislative review in accordance with M.S. 16B.335

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend capital funds for this project.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	40
Safety Concerns	0/35/70/105	35
Customer Services/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	25
User and Non-State Financing	0-100	0
Asset Management	0/20/40/60	0
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	0
Total		205

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AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

AGENCY: Natural Resources, Department of
PROJECT TITLE: Natural Resources Park - Minnesota State Fairgrounds

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$60

STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$-0-

STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$-0-

LOCATION (CAMPUS, CITY, COUNTY): Minnesota State Fairgrounds, Falcon Heights, Ramsey County

AGENCY PRIORITY (for projects in the 1996 session only):

NB20 of 20 requests

1. **PROJECT DESCRIPTION:** This request for \$60 thousand will provide for the development of a backyard landscaping exhibit within the DNR Natural Resources Park located on the Minnesota State Fairgrounds. This exhibit will demonstrate how homeowners can design and develop their yards and building sites in a manner that will provide critical habitats for a variety of birds, mammal, and reptiles.

Specifically this appropriation will be used to purchase and place native woody and herbaceous plants; develop a reptile hibernation display; build and place nest boxes, nest platforms and feeders; construct a small amphibian pond; create interpretive signage and displays; and construct pathways, benches and a viewing deck.

2. **PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:** The Department's strategic plan report, *Directions for Natural Resources 1995*, outlines the major goals and strategies for achieving its mission and provides the framework for guiding budget investment decisions. This request supports the strategies in *Directions* by providing opportunities for citizens to obtain natural resource information.

DNR Directions: provide support and direction in environmental education to ensure a coordinated approach to the development and implementation of these efforts within the DNR.

This project will create a living, interactive exhibit that will provide examples and information to state fair visitors, and others, on how they can support and enhance wildlife and natural biodiversity in their own backyards.

Each year an estimated 800 thousand people visit the DNR Natural Resources Park during the course of the Minnesota State Fair. This is an opportunity to communicate with a large number of people about natural resource issues and programs. During other times of the year the Minnesota State Fairgrounds hosts events that bring thousands of people onto the grounds.

The DNR has a strong commitment to environmental education and specifically to providing opportunities for citizens to obtain natural resource information. The project helps to fulfill this commitment and enhance the Department's efforts to communicate with its citizens.

3. **PREVIOUS PROJECT FUNDING:** Detailed plans for the composition, layout and construction of this exhibit were developed by a contracted landscape architect at a cost of \$3 thousand. This money came from the donations of visitors to the DNR exhibit. No other capital or operating funds have been allocated or used on this project.

4. **OTHER CONSIDERATIONS (OPTIONAL):** The additional money needed to fully complete this project is estimated at \$20 thousand and will come from a combination of visitor donations, Non-game Wildlife program donations and corporate sponsorships.

5. **PROJECT CONTACT PERSON, TITLE, AND PHONE:** Tom Baumann, Marketing Coordinator, (612) 297-4192

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-2

TYPE OF REQUEST (Check all that apply):

Acquisition of State Assets
 Development of State Assets
 Maintenance of State Assets
 Grants to Local Governments
 Loans to Local Governments
 Other Grants (specify):

PROJECT CHARACTERISTICS (Check all that apply):

Health and Safety
 Enhancement of Existing Programs/Services
 Expansion of Existing Program/Services
 Provision of New Program/Services
 Other (specify):

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ Fund
 Bonds: \$ 60 Tax Exempt X Taxable

STATE DEBT SERVICE PAYMENTS (Check all that apply):

General Fund % of total 100
 User Financing % of total

Source of funds

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ <u> </u>	-0-
State funding received	\$ <u> </u>	-0-
Federal funding received	\$ <u> </u>	-0-
Local government funding received	\$ <u> </u>	-0-
Private funding received	\$ <u> </u>	3

For 1996 Session (F.Y. 1996-97)

State funding requested	\$ <u> </u>	60
Federal funding	\$ <u> </u>	-0-
Local government funding	\$ <u> </u>	-0-
Private funding	\$ <u> </u>	20

For 1998 Session (F.Y. 1998-99)

State funding estimate	\$ <u> </u>	-0-
Federal funding	\$ <u> </u>	-0-
Local government funding	\$ <u> </u>	-0-
Private funding	\$ <u> </u>	-0-

For 2000 Session (F.Y. 2000-01)

State funding estimate	\$ <u> </u>	-0-
Federal funding	\$ <u> </u>	-0-
Local government funding	\$ <u> </u>	-0-
Private funding	\$ <u> </u>	-0-

Total Project Costs (all years)	\$ <u> </u>	83
State funding requested(all years)	\$ <u> </u>	60
Federal funding (all years)	\$ <u> </u>	-0-
Local government funding (all years)	\$ <u> </u>	-0-
Private funding (all years)	\$ <u> </u>	23

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-3

DEPARTMENT OF ADMINISTRATION ANALYSIS:

Projects of a non-building nature have been determined to not require predesign. The Backyard Landscaping Exhibit at the Minnesota State Fairgrounds is not expected to present a predesign submittal but would require legislative review in accordance with M.S. 16B.335.

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend capital funds for this project.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	40
Safety Concerns	0/35/70/105	0
Customer Services/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	25
User and Non-State Financing	0-100	5
Asset Management	0/20/40/60	0
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	0
Total		105

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AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

AGENCY: Natural Resources, Department of
PROJECT TITLE: Local Recreation Grants

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$1,800
STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$1,800
STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$1,800
LOCATION (CAMPUS, CITY, COUNTY): Local Governments Statewide

AGENCY PRIORITY (for projects in the 1996 session only):

G01 of G6 requests

1. PROJECT DESCRIPTION:

This request for \$1.8 million will provide funds for matching grants to cities, counties, and townships for acquisition, development and renovation of local park and recreation areas and natural areas. A wide range of outdoor recreation facilities are eligible for grants including trails, water related facilities, athletic fields and courts, picnic and camping facilities, playgrounds and support facilities. Local governments complete the projects and are reimbursed for actual work completed.

The 1994 legislature created a new program, the Natural and Scenic Areas Program, to provide grants to local governments to help acquire and protect natural areas with outstanding biological, geological, ecological and scenic values. As with local recreation grants, local units are responsible for ongoing operations and maintenance costs and must not convert the property to uses other than those for which the grant was provided.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

The Local Recreation Grant program helps fill a critical need for "close to home" outdoor recreation opportunities. The 1990-1994 State Comprehensive Outdoor Recreation Plan (SCORP) noted that 73% of Minnesotan's outdoor recreation hours per capita are spent within a 1/2 hour travel

distance from home. This means that city, county and other local facilities meet the needs for day to day outdoor recreation. Many local governments need financial assistance to provide adequate outdoor recreation areas and facilities for citizens.

This program has had a significant impact on the statewide provision of outdoor recreation opportunities. Over 500 of the approximately 850 cities in the state have received at least one grant through this program. In addition, grants have been made to projects in every county in the state. The program has assisted many projects that have statewide significance, such as the Duluth harbor parks, Minnehaha park in Minneapolis, and the Cannon Valley Trail. Over 1,700 grants made through this program have played a role in developing a statewide system of outdoor recreation opportunities.

The new Natural and Scenic Areas Grant Program will enhance the state's efforts to protect natural areas in partnership with local governments. Areas that are not of statewide significance may still be important from a local or regional perspective. This program will help encourage local governments to protect these resources. This program also provides an opportunity for the department to pursue its ecosystem management goals in cooperation with local governments.

The state plays a role in helping to provide local outdoor recreation opportunities. The state helps ensure that citizens throughout Minnesota have opportunities to participate in recreation activities that support healthy lifestyles, foster respect for the natural environment, and provide economic benefits to communities. Many communities derive tourism dollars from their local outdoor recreation facilities and many others view local parks as a factor that attracted or retained both businesses and skilled workers.

The program also complements the state's outdoor recreation facilities. Local recreation facilities can provide key linkages to state parks and trails, cooperative public access opportunities, local rest areas along state trails, camping and other facilities. These efforts can help enhance the state's investment in its facilities and fosters support for these facilities within nearby local communities.

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Many local recreation facilities are not accessible to persons with disabilities. Major renovation and investment are needed in many parks to meet state and federal accessibility requirements. State financial assistance is needed in many cases to enable a renovation project to go forward.

The program has helped to address the significant safety issues related to playgrounds. The U.S. Consumer Product Safety Commission estimates that each year approximately 15 children die and 170 thousand are injured on playground equipment. In 1991 in St. Paul there were 100 or more accidents involving city playgrounds. Many of these accidents result from the use of outdated and dangerous equipment. In recent years playground projects have been among the most popular types of projects submitted in grant applications. In 1995 10 of the 19 grants involved the replacement or improvement of outdated and unsafe playground equipment.

The program will further the department's long range strategic goals, outlined in *Directions for Natural Resources 1995*. The program helps DNR meet its goal of conserving natural systems for the maintenance of biological diversity while providing for sustainable use of natural resources. The following strategic directions will be enhanced:

1. Ecosystem approaches - Acquisition and protection of natural areas within communities will help integrate social, economic and ecological values of these areas as an integral part of the overall community.
2. Teams and partnerships - Through this program the state enters into a partnership with local governments and citizen groups to share the costs of acquisition and protection of natural areas. There are also opportunities for joint state/local management projects.
3. Priority geographic areas - The Natural and Scenic Area Grant Program helps local governments preserve natural systems that are pristine, unique and/or experiencing the greatest pressure from land conversion.
4. Traditional strengths - The grants programs has provided assistance to local governments in the acquisition and development of open space and recreation areas for 30 years. With the recent addition of the Natural and Scenic Area Grant Program, the state is better able to help local governments participate in ecosystem management efforts.

5. Leadership - This program will help the state provide leadership in building a statewide capacity to implement ecosystem-based approaches across multiple ownerships by providing an incentive for local government to acquire natural areas that will complement and add to the state's land resources.

Specific long term goals for the program include the provision of approximately 200 grants to local governments by the year 2000. These grants would focus on needs identified in the 1995-2000 SCORP, as well as required renovations to meet accessibility requirements and opportunities for cooperative state and local projects. Between 1985 and 1994 grant requests have totaled about \$100 million, an average of over \$10 million per year. This request will fund about 1/3 of grant requests or 30 to 40 grants per year.

3. PREVIOUS PROJECT FUNDING:

M.L. 1985 Chap 400	\$2,500	bonding
M.L. 1990 Chap 610	\$2,000	bonding
M.L. 1994 Chap 632	\$ 250	future resources
M.L. 1994 Chap 643	\$1,400	bonding
M.L. 1995 Chap 220	<u>\$1,800</u>	future resources
	Total	\$7,950

4. OTHER CONSIDERATIONS (OPTIONAL):

The increased urbanization of the state has led to a shortage of outdoor recreation facilities in growing communities throughout the state. In addition, a major reduction over the past decade in both state and federal funds available to assist local governments with local park projects has resulted in a backlog of capital expenditure needs at the local level, loss of needed open space to non-recreation uses, and an inadequate response by the state and local governments to the need and responsibility to provide accessible public outdoor recreation facilities at the community level.

This program involves a successful partnership between the state and local governments. The state annually solicits grant applications from local governments. These applications are evaluated against a number of criteria

**AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)**

related to SCORP priorities, adequacy of design, commitment to long term operations and maintenance, safety concerns, and other related factors. The projects are ranked on these criteria and the highest ranked projects chosen for funding. Grant recipients must provide a match of at least 50% of total eligible project costs. Local service organizations often provide donations to help meet the match requirement.

If this request is not funded, there will be no state assistance available to local governments for acquisition, development and renovation for most types of local outdoor recreation facilities. The Land and Water Conservation (LAWCON) Fund, which has provided minimal funding for such grants during the past several years, will not receive an appropriation from Congress in federal F.Y. 1996. The long term future of the LAWCON program is uncertain.

5. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Wayne Sames, Supervisor, Local Recreation Grants, 612/296-1567

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-2

TYPE OF REQUEST (Check all that apply):

- Acquisition of State Assets
- Development of State Assets
- Maintenance of State Assets
- Grants to Local Governments
- Loans to Local Governments
- Other Grants (specify):

PROJECT CHARACTERISTICS (Check all that apply):

- Health and Safety
- Enhancement of Existing Programs/Services
- Expansion of Existing Program/Services
- Provision of New Program/Services
- Other (specify): Compliance- Americans with Disabilities Act (ADA)

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

- Cash: \$ _____ Fund _____
- Bonds: \$1,800 Tax Exempt Taxable _____

STATE DEBT SERVICE PAYMENTS (Check all that apply):

- General Fund % of total 100
- User Financing % of total _____

Source of funds _____

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ 11,800
State funding received	\$ 5,900
Federal funding received	\$ -0-
Local government funding received	\$ 5,900
Private funding received	\$ -0-

For 1996 Session (F.Y. 1996-97)

State funding requested	\$ 1,800
Federal funding	\$ -0-
Local government funding	\$ 1,800
Private funding	\$ -0-

For 1998 Session (F.Y. 1998-99)

State funding estimate	\$ 1,800
Federal funding	\$ -0-
Local government funding	\$ 1,800
Private funding	\$ -0-

For 2000 Session (F.Y. 2000-01)

State funding estimate	\$ 1,800
Federal funding	\$ -0-
Local government funding	\$ 1,800
Private funding	\$ -0-

Total Project Costs (all years)	\$ 22,600
State funding requested(all years)	\$ 11,300
Federal funding (all years)	\$ -0-
Local government funding (all years)	\$ 11,300
Private funding (all years)	\$ -0-

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-3

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

The 1995 Legislature appropriated \$1.8 million from the Future Resources Fund for this program request.

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend capital funds for this project.

The Governor has considered the appropriation made in 1995 and recognizes the potential for future LCMR recommended funding in 1996-97.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	40
Safety Concerns	0/35/70/105	0
Customer Services/Statewide Significance	0/35/70/105	35
State Agency Priority	0/25/50/75/100	25
User and Non-State Financing	0-100	50
State Asset Management	0/20/40/60	0
State Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	50
Total		200

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AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

AGENCY: Natural Resources, Department of
PASS THROUGH APPROPRIATION TO METROPOLITAN COUNCIL
PROJECT TITLE: Metropolitan Regional Park Acquisition

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$2,444
STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$2,907
STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$2,925
LOCATION (CAMPUS, CITY, COUNTY): 7 county Twin City metropolitan region

AGENCY PRIORITY (for projects in the 1996 session only):

G02 of G6 requests

1. PROJECT DESCRIPTION:

This request for the Metropolitan Regional Park Acquisition program will provide \$2.444 million to acquire land from willing sellers within the Metropolitan Council approved boundaries of regional parks, park reserves and regional trails as part of the Metropolitan Regional Park System. Examples in this request include financing acquisition of 3 parcels on the Big Rivers Trail in Dakota County to permit phase 2 construction to go forward, and acquiring land in Big Marine Park Reserve and Grey Cloud Island Regional Park in Washington County as it comes on the market to protect it for eventual park use, and continued acquisition of 2 regional parks and 2 park reserves in Dakota County.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

Projects included in this request were evaluated and prioritized in the Metropolitan Council's regional recreation open space capital improvement program (1996-2005) based on policies 3 and 4 of the Metropolitan Council's Recreation Open Space Development Guide/Policy Plan:

Policy 3: Acquisition Priorities for Parks and Park Reserves

The priority rating for acquiring park and park reserve lands identified in an acceptable master plan for the regional system through purchase with regional funds is as follows:

1. Lands essential to protect the natural resources that define a park or park reserve and make it usable to the public as planned. (It is particularly important to acquire lands in this category that face the threat of being lost to the system if timely action is not taken).
2. Lands considered essential for the park or park reserve to reach its full regional service potential as defined in the Council's system plan.
3. Lands that do not meet criteria in 1 or 2 above that are currently on the market at acceptable terms.
4. Other lands identified in approved master plans.

Policy 4: Acquisition Priorities for Recreational Trails

Trail corridors that go through some land in the metropolitan urban service area are preferred over trails that have their entire route in the rural service area. Corridors to be considered for trail acquisition must traverse substantial areas of high quality natural resources or provide a critical link in a trail that meets this criterion.

Once the natural resource criterion is met, acquisition priorities are:

1. Provide access to or traverse regional parks or park reserves;
2. Intersect with existing or planned local trails;
3. Traverse interesting developed areas.

The priority rating for individual parcels of land within the trail corridor is as follows:

1. Lands essential to protect the trail corridor and make it usable to the

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

public as planned. (It is particularly important to acquire lands in this category that face the threat of being lost to the system if timely action is not taken).

2. Lands considered essential for the trail corridor to reach its full regional service potential as defined in the Council's system plan.
3. Lands that do not meet criteria 1 or 2 above that are currently on the market at acceptable terms.
4. Other lands identified in approved master plans.

The request of \$2.444 million will finance 60% of acquisition project costs, with the remaining 40% financed with bonds to be issued by the Metropolitan Council (\$1.632 million) to reimburse regional park agencies for land acquired with park agency funds with the consent of the Metropolitan Council when there was insufficient state funding available to acquire land before it would be lost to urban development. The 60/40 split is a fair allocation of the debt service on these bonds between the metro area and greater Minnesota. Under the 60/40 split, approximately 76% of the debt service on state and Metropolitan Council bonds for a project would be financed from taxes collected in the metro area, while 24% would come from greater Minnesota. That is comparable to the amount of benefit metro area and greater Minnesota residents receive from the metro regional park system based on visitor origin data for the system.

3. PREVIOUS PROJECT FUNDING:

From 1975 to 1995, the Metropolitan Council has received \$66.39 million of state bonds and Environmental Trust Funds for land acquisition. The most recent appropriations were \$1.12 million of F.Y. 1995 Environmental Trust Fund money (M.L. 1995, Ch 220, Sec. 20(b)), and \$406 thousand from \$3.95 million F.Y. 1996-97 Environmental Trust Fund money (M.L. 1995, Ch. 220, Sec. 19, Subd. 4a). In addition to these state revenues, the Metropolitan Council has issued its own general obligation bonds and interest earned on bonds prior to disbursement totaling \$45.003 million for acquisition from 1974 to 1995.

4. OTHER CONSIDERATIONS (OPTIONAL):

Reductions in the appropriation will result in allocations to the lowest priority project(s). Thus the impact of a reduced appropriation is that the lowest priority project(s) will receive less (or no) funding which consequently will result in loss of land due to urbanization from its current vacant state, or much higher acquisition costs in the future due to inflation.

5. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Arne Stefferud, Park Planner-Metropolitan Council, 291-6360

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

Priority/Park Agency/Project Description	F.Y '96- 97 State Bond Request	Cumulative State Bond Total by Project
RP = regional park PR = park reserve RT = regional trail		
1. WASHINGTON COUNTY, Grey Cloud Island RP: Acquire land from willing sellers that is essential to protect the natural resources that defines the park and to make it usable to the public as planned	\$ 1,236	\$ 1,236
2. DAKOTA COUNTY, Big Rivers RT and South St. Paul segment of Dakota North RT: Acquire 3 parcels for Big Rivers RT needed to permit phase 2 construction to go forward and finish acquisition of South St. Paul segment of Dakota North RT.	\$ 415	\$ 1,651
3. WASHINGTON COUNTY, Big Marine PR: Acquire land from willing sellers that is essential to protect the natural resources that defines the park and to make it usable to the public as planned.	\$ 340	\$ 1,991
4. DAKOTA COUNTY, Lake Byllesby RP, Lebanon Hills RP, Miesville Ravine PR, and Spring Lake PR: Acquire inholdings essential to protect the natural resources in the parks and make them usable to the public as planned.	\$ 453	\$ 2,444

Reductions in the appropriation will result in reductions in allocations to the lowest priority project(s). Thus the impact of a reduced appropriation is that the lowest priority project(s) will receive less (or no) funding which consequently will result in loss of land due to urbanization from its current vacant state, or much higher acquisition costs in the future due to inflation.

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont'd.)

Fiscal Years 1996-2001

Dollars in Thousands (\$137,500 = \$138)

TYPE OF REQUEST (Check all that apply):

Acquisition of State Assets
 Development of State Assets
 Maintenance of State Assets
 Grants to Local Governments
 Loans to Local Governments
 Other Grants (specify):

PROJECT CHARACTERISTICS (Check all that apply):

Health and Safety
 Enhancement of Existing Programs/Services
 Expansion of Existing Program/Services
 Provision of New Program/Services
 Other (specify):

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ _____ Fund _____
 Bonds: \$ 2,444 Tax Exempt Taxable _____

STATE DEBT SERVICE PAYMENTS (Check all that apply):

General Fund % of total 100
 User Financing % of total _____

Source of funds _____

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ 111,393
State funding received	\$ 66,390
Federal funding received	\$ -0-
Local government funding received (1)	\$ 45,003
Private funding received	\$ -0-

For 1996 Session (F.Y. 1996-97)

State funding requested	\$ 2,444
Federal funding	\$ -0-
Local government funding (1)	\$ 1,632
Private funding	\$ -0-

For 1998 Session (F.Y. 1998-99)

State funding estimate	\$ 2,907
Federal funding	\$ -0-
Local government funding (1)	\$ 2,538
Private funding	\$ -0-

For 2000 Session (F.Y. 2000-01)

State funding estimate	\$ 2,925
Federal funding	\$ -0-
Local government funding (1)	\$ 2,550
Private funding	\$ -0-

Total Project Costs (all years)	\$ 126,388
State funding requested(all years)	\$ 74,666
Federal funding (all years)	\$ -0-
Local government funding (all years) (1)	\$ 51,722
Private funding (all years)	\$ -0-

(1) Local government funding only includes funding from Metropolitan Council.
 It does not include funding from regional park implementation agencies.

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-3

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

The 1995 legislature appropriated \$5.07 million from the environmental trust fund to acquire, develop and rehabilitate components of the metro regional parks system.

GOVERNOR'S RECOMMENDATION:

The Governor recommends general obligation bonding of \$4.45 million for acquisition, development and rehabilitation projects within the metro regional parks system. The Governor is making one funding recommendation that responds to the 4 separate metro park system requests.

The Governor has considered the appropriation made in 1995 and recognizes the potential for future LCMR recommended funding in 1996-97.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	80
Safety Concerns	0/35/70/105	0
Customer Services/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	25
User and Non-State Financing	0-100	40
Asset Management	0/20/40/60	0
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	50
Total		265

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AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

AGENCY: Natural Resources, Department of
PASS THROUGH APPROPRIATION TO METROPOLITAN COUNCIL
PROJECT TITLE: Metropolitan Regional Park Non-Building Redevelopment

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$4,446
STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$4,356
STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$2,370
LOCATION (CAMPUS, CITY, COUNTY): 7 county Twin City metropolitan region

AGENCY PRIORITY (for projects in the 1996 session only):

G03 of G6 requests

1. PROJECT DESCRIPTION:

This request for the Metropolitan Regional Park Non-Building Redevelopment program will provide \$4.446 million to redevelop and, in some cases, expands the capacity of existing non-building recreation facilities in the Metropolitan Regional Park System. Examples include replacing parking lots and park roads, trail resurfacing and expansion of trail mileage, and expanding parking capacity of boat accesses.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

Projects included in this request were evaluated and prioritized in the Metropolitan Council's regional recreation open space capital improvement program (1996-2005) based on policy 6 of the Metropolitan Council's Recreation Open Space Development Guide/Policy Plan:

Development in regional recreation open space should be based on the principle of providing and maintaining quality public park areas and facilities primarily for citizens of the metro area. The following priorities are applicable for development and redevelopment of regional park reserves, parks, trails and special use facilities.

1. Projects that provide new facilities, rehabilitate facilities or increase capacity where there is documented existing or projected high use, and where there will be no adverse effect on the natural resource base.
2. Projects continuing a phased high-priority project or one of relatively high priority that is timed with other public improvement projects to achieve significant economies in cost to construction.
3. Projects providing a specific facility that meets a documented need, is currently not available or is significantly underrepresented in the system and where there will be no adverse effect on the natural resource base.
4. Projects to serve planned future use in a location with no adverse effects on the natural resource base.

The request of \$4.446 million will finance 60% of actual project costs, with the remaining 40% financed with bonds to be issued by the Metropolitan Council (\$2.963 million). The 60/40 split is a fair allocation of the debt service on these bonds between the metro area and greater Minnesota. Under the 60/40 split, approximately 76% of the debt service on state and Metropolitan Council bonds for a project would be financed from taxes collected in the metro area, while 24% would come from greater Minnesota. That's comparable to the amount of benefit metro area and greater Minnesota residents receive from the metro regional park system based on visitor origin data for the system.

3. PREVIOUS PROJECT FUNDING:

From 1975 to 1995, the Metropolitan Council has received \$51.134 million of state bonds and Environmental Trust Funds for non-building park redevelopment projects. The most recent appropriation was \$2.206 million from a \$3.95 million F.Y. 1996-97 Environmental Trust Fund appropriation (M.L. 1995, Ch. 220, Sec. 19, Subd., 4a). In addition to the state revenues, the Metropolitan Council has issued its own bonds and interest earned on bonds totaling \$34.62 million for non-building park redevelopment projects from 1974 to 1995.

**AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)**

Form F-1

4. OTHER CONSIDERATIONS (OPTIONAL):

Reductions in the appropriation will result in allocations to the lowest priority project(s). Thus the impact of a reduced appropriation is that the lowest priority project(s) will receive less (or no) funding which consequently will result in loss of land due to urbanization from its current vacant state, or much higher acquisition costs in the future due to inflation.

5. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Arne Stefferud, Park Planner-Metropolitan Council, 291-6360

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Priority/Park Agency/Project Description	F.Y '96-97 State Bond Request	Cumulative State Bond Total by Project
RP = regional park PR = park reserve RT = regional trail		
1. ST. PAUL, Como RP: Construct parking deck/surface lot, lighting, utilities, walks, landscaping for Zoo-Conservatory area. Relocate amusement rides.	\$ 1,466	\$ 1,466
2. MPLS. PARK BD., Lake Calhoun portion of Mpls. Chain of Lakes RP: Replace worn out bicycle and hiking trails. Restore turf and vegetation destroyed from heavy trail use. Reconfigure boat launch area. Landscape as appropriate to restore site.	\$ 670	\$ 2,136
3. MPLS. PARK BD., Minnehaha RP: Phase 3 redevelopment including replacing worn out Wabun Road and parking lots, add bicycle and hiking trails to complete internal loop, landscape as appropriate.	\$ 837	\$ 2,973
4. ST. PAUL, Harriet Island portion of Lilydale-Harriet Island RP: Construct park roads, parking, lighting and landscaping.	\$ 840	\$ 3,813
5. RAMSEY COUNTY, Bald Eagle-Otter Lake RP: Redevelop Bald Eagle Lake swimming beach, boat access and picnic area, including relocation of Overlake Road, expanding the boat access from 24 to 50 spaces, expansion of picnic area and construction of seasonal beach building (unheated) which includes restrooms, lifeguard room and limited concessions.	\$ 502	\$ 4,315
6. CARVER COUNTY, Baylor RP: Continue rehabilitation of bathhouse, shelter, trails and improvements to campground utilities. (Note: major rehabilitation of administration offices, visitor lounge/community room and picnic shelter overhang on a heated barn is part of this project under a separate building request).	\$ 131	\$ 4,446

Reductions in the appropriation will result in reductions in allocations to the lowest priority project(s). Thus the impact of a reduced appropriation is that the lowest priority project(s) will receive less (or no) funding which consequently will result in loss of service to park users of those worn out facilities and higher construction costs in the future due to inflation.

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-2

TYPE OF REQUEST (Check all that apply):

- Acquisition of State Assets
- Development of State Assets
- Maintenance of State Assets
- Grants to Local Governments
- Loans to Local Governments
- Other Grants (specify):

PROJECT CHARACTERISTICS (Check all that apply):

- Health and Safety
- Enhancement of Existing Programs/Services
- Expansion of Existing Program/Services
- Provision of New Program/Services
- Other (specify):

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ _____ Fund _____
 Bonds: \$ 4,446 Tax Exempt Taxable _____

STATE DEBT SERVICE PAYMENTS (Check all that apply):

General Fund % of total 100
 User Financing % of total _____

 Source of funds _____

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ 85,796
State funding received	\$ 51,134
Federal funding received	\$ -0-
Local government funding received (1)	\$ 34,662
Private funding received	\$ -0-
For 1996 Session (F.Y. 1996-97)	
State funding requested	\$ 4,446
Federal funding	\$ -0-
Local government funding (1)	\$ 2,963
Private funding	\$ -0-
For 1998 Session (F.Y. 1998-99)	
State funding estimate	\$ 4,356
Federal funding	\$ -0-
Local government funding (1)	\$ 2,904
Private funding	\$ -0-
For 2000 Session (F.Y. 2000-01)	
State funding estimate	\$ 2,370
Federal funding	\$ -0-
Local government funding (1)	\$ 1,580
Private funding	\$ -0-
Total Project Costs (all years)	
State funding requested(all years)	\$ 62,306
Federal funding (all years)	\$ -0-
Local government funding (all years) (1)	\$ 42,108
Private funding (all years)	\$ -0-

(1) Local government funding only includes funding from Metropolitan Council. It does not include funding from regional park implementation agencies.

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-3

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

The 1995 legislature appropriated \$5.07 million from the environmental trust fund to acquire, develop and rehabilitate components of the metro regional parks system.

GOVERNOR'S RECOMMENDATION:

The Governor recommends general obligation bonding of \$4.45 million for acquisition, development and rehabilitation projects within the metro regional parks system. The Governor is making one funding recommendation that responds to the 4 separate metro park system requests.

The Governor has considered the appropriation made in 1995 and recognizes the potential for future LCMR recommended funding in 1996-97.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	80
Safety Concerns	0/35/70/105	0
Customer Services/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	25
User and Non-State Financing	0-100	40
Asset Management	0/20/40/60	0
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	50
Total		265

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AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

AGENCY: Natural Resources, Department of
PASS THROUGH APPROPRIATION TO METROPOLITAN COUNCIL
PROJECT TITLE: Metropolitan Regional Park Non-Building Development

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$7,870
STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$6,795
STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$8,999
LOCATION (CAMPUS, CITY, COUNTY): 7 county Twin City metropolitan region

AGENCY PRIORITY (for projects in the 1996 session only):

G04 of G6 requests

1. PROJECT DESCRIPTION:

This request for the Metropolitan Regional Park Non-Building Development program will provide \$7.87 million to develop new recreation facilities in the Metropolitan Regional Park System to meet new growth and demand for non-building recreation facilities. Examples in this request include developing the last portion of the Great River Road (parkway and trails) in Central Mississippi Riverfront Regional Park in Minneapolis, a swimming pond at Battle Creek Regional Park in Ramsey County, expanding the campground at Lebanon Hills Regional Park in Dakota County, and developing a river campground, picnic areas and trails at Rum River Central Regional Park in Anoka County.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

Projects included in this request were evaluated and prioritized in the Metropolitan Council's regional recreation open space capital improvement program (1996-2005) based on policy 6 of the Metropolitan Council's *Recreation Open Space Development Guide/Policy Plan*:

Development in regional recreation open space should be based on the principle of providing and maintaining quality public park areas and facilities

primarily for citizens of the metropolitan area. The following priorities are applicable for development and redevelopment of regional park reserves, parks, trails and special use facilities.

1. Projects that provide new facilities, rehabilitate facilities or increase capacity where there is documented existing or projected high use, and where there will be no adverse effect on the natural resource base.
2. Projects continuing a phased high-priority project or one of relatively high priority that is timed with other public improvement projects to achieve significant economies in cost to construction.
3. Projects providing a specific facility that meets a documented need, is currently not available or is significantly underrepresented in the system and where there will be no adverse effect on the natural resource base.
4. Projects to serve planned future use in a location with no adverse effects on the natural resource base.

The request of \$7.87 million will finance 60% of actual development project costs, with the remaining 40% financed with bonds to be issued by the Metropolitan Council (\$5.531 million). The 60/40 split is a fair allocation of the debt service on these bonds between the metro area and greater Minnesota. Under the 60/40 split, approximately 76% of the debt service on state and Metropolitan Council bonds for development projects would be financed from taxes collected in the metro area, while 24% would come from greater Minnesota. That's comparable to the benefit metro area and greater Minnesota residents receive from the metropolitan regional park system based on visitor origin data for the system.

3. PREVIOUS PROJECT FUNDING:

From 1975 to 1995, the Metropolitan Council has received \$30.586 million of state bonds and Environmental Trust Funds for non-building park development projects. The most recent appropriation was \$966 thousand from a \$3.95 million F.Y. 1996-97 Environmental Trust Fund appropriation (M.L. 1995, Ch. 220, Sec. 19, Subd. 4a). In addition to the state

**AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)**

revenues, the Metropolitan Council has issued its own bonds and interest earned on bonds totaling \$20.733 million for non-building park development projects from 1974 to 1995.

4. OTHER CONSIDERATIONS (OPTIONAL):

Reductions in the appropriation will result in reduction in allocations to the lowest priority project(s). Thus the impact of a reduced appropriation is that the lowest priority project(s) will receive less (or no) funding which consequently will result in loss of service to park users, over-use of existing facilities which shortens their usable lifetime and higher construction costs in the future due to inflation for facilities that were not built and higher costs for replacing over-used facilities that were worn out prematurely.

5. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Arne Stefferud, Park Planner-Metropolitan Council, 291-6360

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

Priority/Park Agency/Project Description	F.Y '96- 97 State Bond Request	Cumulative State Bond Total by Project
RP = regional park PR = park reserve RT = regional trail		
1. MPLS Park Board, Central Mississippi Riverfront RP: Complete last segment of Great River Road parkway and trail and save \$500 thousand by constructing it in coordination with Minnegasco remediating contaminated soils on this site.	\$ 1,871	\$ 1,871
2. RAMSEY COUNTY, Battle Creek RP: Develop swimming pond with support facilities; seasonal restrooms/changing room/concession/lifeguard building, road, parking and picnic area.	\$ 2,000	\$ 3,871
3. DAKOTA COUNTY, Lebanon Hills RP: Expand existing campground which is at capacity by adding 20-25 paved RV full hook-up sites, relocate and expand tent camp to 15-20 sites, plus trails and playground (Note: shower/bathroom building for this project in separate building request)	\$ 635	\$ 4,506
4. ANOKA COUNTY, Rum River Central RP: Begin park's development including canoe campground, river access site with restrooms, trails, upgraded boat ramp and parking lot; group and family picnic area with seasonal restrooms and 3 shelters, playground, access roads and parking lots; 7 miles of hiking/ski trail with shelter, information overlooks, benches and picnic tables; utilities, boundary fencing, landscaping and site restoration. (Note: heated visitor contact/entrance station for this project in separate building request)	\$ 1,154	\$ 5,660

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

F.Y. 1996-97 Metropolitan Regional Park Non-Building Development request **CONTINUED**

Priority/Park Agency/Project Description	F.Y '96-97 State Bond Request	Cumulative State Bond Total by Project
RP = regional park PR = park reserve RT = regional trail		
5. BLOOMINGTON, Normandale Lake portion of Hyland-Bush-Anderson Lakes PR: Construct bandshell with lower level serving as trail shelter (Note: Trail shelter is heated and is a project in separate building request).	\$ 450	\$ 6,110
6. ANOKA COUNTY, Bunker Hills RP: Add 20 full service campsites, bituminous road and parking, dump station; upgrade existing family campground including roads and parking; redesign roads at two entrance/contact stations. (Note: Campground shower/laundry restroom complex to serve new campsites, plus two heated restroom buildings and visitor contact/entrance stations for this project are in a separate building request).	\$ 565	\$ 6,675
7. SCOTT COUNTY, Cleary Lake RP: Expand parking area, road paving, bike/hike trail segment addition, boat launch improvements.	\$ 140	\$ 6,815
8. CARVER COUNTY, Lake Minnewashta RP: Additional picnic area, shelter and trail development, amphitheatre, trail bridges and road improvements.	\$ 270	\$ 7,085
9. HENNEPIN PARKS, N. Hennepin RT from C. E. French RP to Theodore Wirth RP: Continue trail development in this segment.	\$ 785	\$ 7,870

Reductions in the appropriation will result in reductions in allocations to the lowest priority project(s). Thus the impact of a reduced appropriation is that the lowest priority project(s) will receive less (or no) funding which consequently will result in loss of service to park users, over-use of existing facilities which shortens their usable lifetime and higher construction costs in the future due to inflation for facilities that weren't built and higher costs for replacing over-used facilities that were worn out prematurely.

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-2

TYPE OF REQUEST (Check all that apply):

Acquisition of State Assets
 Development of State Assets
 Maintenance of State Assets
 Grants to Local Governments
 Loans to Local Governments
 Other Grants (specify):

PROJECT CHARACTERISTICS (Check all that apply):

Health and Safety
 Enhancement of Existing Programs/Services
 Expansion of Existing Program/Services
 Provision of New Program/Services
 Other (specify):

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ _____ Fund _____
 Bonds: \$ 7,870 Tax Exempt Taxable _____

STATE DEBT SERVICE PAYMENTS (Check all that apply):

General Fund % of total 100
 User Financing % of total _____
Source of funds _____

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ 51,319
State funding received	\$ 30,586
Federal funding received	\$ -0-
Local government funding received (1)	\$ 20,733
Private funding received	\$ -0-
For 1996 Session (F.Y. 1996-97)	
State funding requested	\$ 7,870
Federal funding	\$ -0-
Local government funding (1)	\$ 5,531
Private funding	\$ -0-
For 1998 Session (F.Y. 1998-99)	
State funding estimate	\$ 6,795
Federal funding	\$ -0-
Local government funding (1)	\$ 4,470
Private funding	\$ -0-
For 2000 Session (F.Y. 2000-01)	
State funding estimate	\$ 8,999
Federal funding	\$ -0-
Local government funding (1)	\$ 6,286
Private funding	\$ -0-
Total Project Costs (all years)	
State funding requested(all years)	\$ 54,251
Federal funding (all years)	\$ -0-
Local government funding (all years) (1)	\$ 37,020
Private funding (all years)	\$ -0-

(1) Local government funding only includes funding from Metropolitan Council.
It does not include funding from regional park implementation agencies.

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

The 1995 legislature appropriated \$5.07 million from the environmental trust fund to acquire, develop and rehabilitate components of the metro regional parks system.

GOVERNOR'S RECOMMENDATION:

The Governor recommends general obligation bonding of \$4.45 million for acquisition, development and rehabilitation projects within the metro regional parks system. The Governor is making one funding recommendation that responds to the 4 separate metro park system requests.

The Governor has considered the appropriation made in 1995 and recognizes the potential for future LCMR recommended funding in 1996-97.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	80
Safety Concerns	0/35/70/105	0
Customer Services/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	25
User and Non-State Financing	0-100	40
Asset Management	0/20/40/60	0
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	50
Total		265

AGENCY CAPITAL BUDGET REQUEST

Form D-1

Building Project Detail

Fiscal Years 1996-2001

Dollars in Thousands (\$137,500 = \$138)

AGENCY: Natural Resources, Department of
PASS THROUGH APPROPRIATION TO METROPOLITAN COUNCIL

PROJECT TITLE: Metropolitan Regional Park Building Rehabilitation and Development

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$783

STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$4,503

STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$696

LOCATION (CAMPUS, CITY, COUNTY): 7 county Twin City metropolitan region

AGENCY PRIORITY (for projects in the 1996 session only):

G05 of G6 requests

1. PROJECT DESCRIPTION:

This request for the Metropolitan Regional Park Building Rehabilitation and Development program will provide \$783 thousand for major rehabilitation or new development of heated year-round buildings as part of recreation facility development in the Metropolitan Regional Park System to meet new growth and demand. Examples in this request include rehabilitation of visitor contact station and administration offices in Baylor Regional Park in Carver County, new construction of shower/bathroom building to serve additional camping sites in Lebanon Hills Regional Park in Dakota County, visitor contact station in Rum River Central Regional Park, and shower/laundry/restroom building in Bunker Hills Regional Park in Anoka County.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

Projects included in this request were evaluated and prioritized in the Metropolitan Council's regional recreation open space capital improvement program (1996-2005) based on policy 6 of the Metropolitan Council's *Recreation Open Space Development Guide/Policy Plan*:

Development in regional recreation open space should be based on the principle of providing and maintaining quality public park areas and

facilities primarily for citizens of the metro area. The following priorities are applicable for development and redevelopment of regional park reserves, parks, trails and special use facilities.

1. Projects that provide new facilities, rehabilitate facilities or increase capacity where there is documented existing or projected high use, and where there will be no adverse effect on the natural resource base.
2. Projects continuing a phased high-priority project or one of relatively high priority that is timed with other public improvement projects to achieve significant economies in cost to construction.
3. Projects providing a specific facility that meets a documented need, is currently not available or is significantly underrepresented in the system and where there will be no adverse effect on the natural resource base.
4. Projects to serve planned future use in a location with no adverse effects on the natural resource base.

The request of \$783 thousand will finance 60% of development costs, including non-building redevelopment and development related to these projects, with the remaining 40% financed with bonds to be issued by the Metropolitan Council (\$252 thousand). The 60/40 split is a fair allocation of the debt service on these bonds between the metro area and greater Minnesota. Under the 60/40 split, approximately 76% of the debt service on state and Metropolitan Council bonds for regional park system development would be financed from taxes collected in the metro area, while 24% would come from greater Minnesota. That's comparable to the benefit metropolitan area and greater Minnesota residents receive from the metropolitan regional park system based on visitor origin data for the system.

3. IMPACT ON AGENCY OPERATING BUDGET (FACILITIES NOTE):

From 1975 to 1995, the Metropolitan Council has received \$3.405 million of state bonds and Environmental Trust Funds for park building rehabilita-

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-1

tion and development projects. The most recent appropriation was \$180 thousand from a \$3.95 million F.Y. 1996-97 Environmental Trust Fund appropriation (M.L. 1995, Ch. 220, Sec. 19, Subd. 4a). In addition to the state revenues, the Metropolitan Council has issued its own bonds and interest earned on bonds totaling \$2.308 million for non-building park development projects from 1974 to 1995.

4. PREVIOUS PROJECT FUNDING:

Since these buildings are owned and operated by metropolitan regional park implementing agencies, and the state has provided general funds to cover only about 6% of the operations and maintenance costs of the Metropolitan Regional Park System, there is no direct fiscal impact on state appropriations for the operations of these buildings. The metropolitan regional park implementing agencies have requested funds for the buildings on the basis that they can afford to operate and maintain them using their property tax levies and park user fees.

5. OTHER CONSIDERATIONS (OPTIONAL):

These buildings are part of non-building redevelopment and development requests and are integral to the entire project. It is much more cost effective to construct the building and non-building portions of a project at one time and has the least disruptive impact on park use. The list of project below only state the building cost portion of a project, but also refers to the non-building project request found in Form F-1s.

Since the Metropolitan Council will provide 40% of the building cost including pre-design and design work, professional services and some construction, this state bond request would only finance a portion of building construction. Consequently, there are no cost details on pre-design and design work in this request.

Reductions in the appropriation will result in reductions in allocations to the lowest priority project(s). Thus the impact of a reduced appropriation is that the lowest priority project(s) will receive less (or no) funding which consequently will result in loss of service to park users since these buildings are an integral part of the non-building redevelopment or

development requests. Another impact is higher construction costs in the future due to inflation for facilities that were not built.

6. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Arne Stefferud, Park Planner-Metropolitan Council, 291-6360

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
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Projects included in the F.Y. 1996-97 Metropolitan Regional Park Building Rehabilitation and Development request are prioritized as follows:

Priority/Park Agency/Project Description	F.Y '96-97 State Bond Request	Cumulative State Bond Total by Project
RP = regional park PR = park reserve RT = regional trail		
1. CARVER COUNTY, Baylor RP: Major rehabilitation of administrative offices, visitor lounge/community room and picnic shelter overhang on building (former barn) as part of redevelopment of swimming beach bathhouse, shelter, trails and improvements to campground utilities (priority 6 of non-building redevelopment request).	\$ 48	\$ 48
2. DAKOTA COUNTY, Lebanon Hills RP: Construct new shower/bathroom/office building for campground expansion of 20-25 RV full hook-up sites and 15-20 tent sites (priority 3 of non-building development request).	\$ 265	\$ 313
3. ANOKA COUNTY, Rum River Central RP: Construct new visitor contact/entrance station as part of the park's first phase development. (priority 4 of non-building development request).	\$ 140	\$ 453
4. BLOOMINGTON, Normandale Lake portion of Hyland-Bush-Anderson Lakes PR: Construct new trail shelter as basement of bandshell. (priority 5 of non-building development request).	\$ 90	\$ 543
5. ANOKA COUNTY, Bunker Hills RP: Construct 2 new visitor contact/entrance stations, a shower/laundry/toilet building for campground, additional heated restroom buildings for campground and horse stable complex. (priority 6 of non-building development request).	\$ 240	\$ 783

Reductions in the appropriation will result in reductions in allocations to the lowest priority project(s). Thus the impact of a reduced appropriation is that the lowest priority project(s) will receive less (or no) funding which consequently will result in loss of service to park users since these buildings are an integral part of the non-building redevelopment or development requests. Another impact is higher construction costs in the future due to inflation for facilities that weren't built.

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
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Form D-2

PROJECT TYPE (check all that apply):

Renewal of existing facilities or assets (no program expansion).

Adaption of an existing facility for code-required changes, handicapped access or legal liability purposes.

Adaption of an existing facility for new, expanded or enhanced uses.

Construction or acquisition of a new facility for new, expanded or enhanced programs or for replacement purposes.

PROJECT CHARACTERISTICS (check all that apply):

- Safety/liability
- Asset preservation
- Code compliance
- Handicapped access (ADA)
- Hazardous materials
- Enhancement of existing programs/services
- Expansion of existing programs/services
- New programs/services
- Co-location of facilities
- Operating cost reductions and efficiencies
- Other (specify):

INFORMATION TECHNOLOGY AND TELECOMMUTING:

Information technology plan:

submitted to IPO yes no X N/A
approved by IPO yes no X N/A

Telecommuting plan or statement of non-practicability:

submitted to IPO yes no X N/A
approved by IPO yes no X N/A

AGENCY BUILDING NAME AND #:

STATE-WIDE BUILDING ID #:

FACILITY SQUARE FOOTAGE:

Existing Building
350,000 Gross Sq. Ft.

Project Scope

	Gross Sq. Ft. Demolished
	Gross Sq. Ft. Decommissioned
1,550	Gross Sq. Ft. Renewal or Adaption-1 building
5,600	Gross Sq. Ft. New Construction-7 buildings

Final Project Size

355,600 Gross Sq. Ft.

Are there any space utilization standards that apply to your agency and this project?

X Yes _____ No.

If so, please cite appropriate sources: State Unified Building Code; Americans with Disabilities Act (ADA)

CHANGES IN STATE OPERATING COSTS (Facilities Note):

	F.Y. 1996-97	F.Y. 1998-99	F.Y. 2000-01
Change in Compensation	\$ _____	\$ _____	\$ _____
Change in Bldg. Oper. Expenses . . .	\$ _____	\$ _____	\$ _____
Change in Lease Expenses	\$ _____	\$ _____	\$ _____
Change in Other Expenses	\$ _____	\$ _____	\$ _____
Total Change in Operating Costs . . .	\$ _____	\$ _____	\$ _____
Other:			
Change in F.T.E. Personnel	_____	_____	_____

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-3

<u>TOTAL PROJECT COSTS (ALL YEARS/ALL FUNDING SOURCES):</u>		Project Costs (all prior years)	Project Costs (F.Y. 1996-97)	Project Costs (F.Y. 1998-99)	Project Costs (F.Y. 2000 and beyond)
1. Site and building preparation					
Site acquisition		\$ -0-			
Existing building acquisition		\$ -0-			
Other acquisitions costs:					
Environmental studies		\$ -0-			
Geotechnical survey		\$ -0-			
Property survey		\$ -0-			
Historic Preservation		\$ -0-			
Other (specify) _____		\$ -0-			
	1. Subtotal	\$ -0-	\$ -0-	\$ -0-	\$ -0-
	2. Subtotal	\$ -0-	\$ -0-	\$ -0-	\$ -0-
2. Predesign fees					
3. Design fees					
Schematic design		\$ -0-			
Design development		\$ -0-			
Contract documents		\$ -0-			
Construction		\$ -0-			
	3. Subtotal	\$ -0-	\$ -0-	\$ -0-	\$ -0-
4. Administrative costs and professional fees					
Project management by consultant		\$ -0-			
Construction management		\$ -0-			
Construction contingency		\$ -0-			
Other (specify) _____		\$ -0-			
	4. Subtotal	\$ -0-	\$ -0-	\$ -0-	\$ -0-
5. Site and building construction					
On site construction		\$ -0-			
Off site construction		\$ -0-			
Hazardous material abatement		\$ -0-			
Other (specify) _____		\$ -0-			
	5. Subtotal	\$ 5,713	\$ 783	\$ 4,503	\$ 696
6. Furniture, Fixtures and Equipment					
7. Occupancy					
8. Percent for art					
	6. Subtotal	\$ -0-	\$ -0-	\$ -0-	\$ -0-
	7. Subtotal	\$ -0-	\$ -0-	\$ -0-	\$ -0-
	8. Subtotal	\$ -0-	\$ -0-	\$ -0-	\$ -0-
	Total without inflation (1 through 8)	\$ 5,713	\$ 783	\$ 4,503	\$ 696
9. Inflation multiplier _____					
Mid-point of construction (mo./yr.) _____					
	9. Subtotal	\$ -0-	\$ -0-	\$ -0-	\$ -0-
	Total with inflation (1 through 9)	\$ 5,713	\$ 783	\$ 4,503	\$ 696

TOTAL PROJECT COSTS (all capital costs, all years)

\$ 15,263

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-4

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ 5,713
State funding received	\$ 3,405
Federal funding received	\$ -0-
Local government funding received (1)	\$ 2,308
Private funding received	\$ -0-

For 1996 Session (F.Y. 1996-97)

State funding requested	\$ 783
Federal funding	\$ -0-
Local government funding (1)	\$ 252
Private funding	\$ -0-

For 1998 Session (F.Y. 1998-99)

State Funding Estimate	\$ 4,503
Federal funding	\$ -0-
Local government funding (1)	\$ 2,852
Private funding	\$ -0-

For 2000 Session (F.Y. 2000-01)

State Funding Estimate	\$ 696
Federal funding	\$ -0-
Local government funding (1)	\$ 464
Private funding	\$ -0-

Total Project Costs (all years)	\$ 15,263
State funding requested (all years)	\$ 10,082
Federal funding (all years)	\$ -0-
Local government funding (all years) (1)	\$ 5,876
Private funding (all years)	\$ -0-

(1) Local government funding only includes funding from Metropolitan Council.
 It does not include funding from regional park implementing agencies.

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

<input type="checkbox"/> Cash: \$ _____	Fund _____
<input checked="" type="checkbox"/> Bonds: \$ 783	Tax Exempt <input checked="" type="checkbox"/> Taxable <input type="checkbox"/>

STATE DEBT SERVICE PAYMENTS (Check all that apply):

<input checked="" type="checkbox"/> General Fund	% of total <u>100</u>
<input type="checkbox"/> User Financing	% of total _____
Source of funds _____	

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
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Form D-5

DEPARTMENT OF ADMINISTRATION ANALYSIS:

N/A

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

The 1995 legislature appropriated \$5.07 million from the environmental trust fund to acquire, develop and rehabilitate components of the metro regional parks system.

GOVERNOR'S RECOMMENDATION:

The Governor recommends general obligation bonding of \$4.45 million for acquisition, development and rehabilitation projects within the metro regional parks system. The Governor is making one funding recommendation that responds to the 4 separate metro park system requests.

The Governor has considered the appropriation made in 1995 and recognizes the potential for future LCMR recommended funding in 1996-97.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	80
Safety Concerns	0/35/70/105	0
Customer Services/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	25
User and Non-State Financing	0-100	40
Asset Management	0/20/40/60	0
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	50
Total		265

	Schematic	Design	Const.		
	Predesign	Design	Devel.	Doc.	Const.
Prior Funding:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Agency Request:	<input checked="" type="checkbox"/>				
Governor's Recommendation:	<input type="checkbox"/>				

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STATE OF MINNESOTA
FY 1996 - 2001
Capital Budget Requests

Governor's Recommendations
(By Agency & Scores)
(in \$000)

Project Description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				FY 96	FY 98	FY 00		FY 98	FY 00

Environmental Assistance

Solid Waste Processing Facilities Grants	01	470	GO/UF	16,600	25,900	12,000	8,000	8,000	8,000
Agency Totals				\$16,600	\$25,900	\$12,000	\$8,000	\$8,000	\$8,000

Funding Source

GO = General Obligation Bonds
 GF = General Fund Direct Appropriation

THF = Trunk Highway Fund
 UF = User Financing

FF = Federal Funding
 LF = Local Funding

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AGENCY CAPITAL BUDGET BRIEF
Strategic Planning Summary
Fiscal Years 1996-2001

Form A

1. AGENCY: Environmental Assistance, Office of (OEA)

2. AGENCY MISSION STATEMENT:

The mission of the Office of Environmental Assistance (OEA) is to protect the environment and conserve resources by planning and promoting integrated management of solid, hazardous, and industrial waste in Minnesota.

In accordance with the Waste Management Act, the OEA's Solid Waste Processing Facilities Capital Assistance Program (CAP) awards grants to local governments to encourage the development of feasible and prudent alternatives to landfill disposal. The purpose of the grants is to foster the development of sound solid waste processing facilities by involving the OEA in their development and offering a financial incentive to local decision makers.

3. TRENDS, POLICIES AND OTHER ISSUES AFFECTING THE DEMAND FOR SERVICES, FACILITIES OR CAPITAL PROGRAMS:

Minnesota's waste management goal is to protect the state's land, air, water and other natural resources and the public health by fostering an integrated waste management system in a manner appropriate to the characteristics of the waste stream. The 1980 Waste Management Act (Act) is the primary state policy which guides local decision makers in placing emphasis on landfill abatement and resource recovery. The Act states that all feasible and prudent alternatives to landfilling must be implemented.

The legislature provides guidance in M.S. 115A.02 by identifying waste management practices in the following order of preference.

1. waste reduction and reuse;
2. waste recycling;
3. composting of yard waste and food waste;
4. resource recovery through mixed municipal solid waste (MSW) composting or incineration; and
5. land disposal.

The CAP program is the primary financial assistance incentive program administered by the OEA to assist local governments in financing necessary infrastructure. The CAP program is their primary tool in making the difficult and expensive move away from reliance on landfills to the establishment of an integrated solid waste management system.

The CAP program is a competitive, 2-stage application process that allows the OEA to identify and assist projects that will be most beneficial in meeting Minnesota's solid waste management goals. Eligible applicants are cities, counties, solid waste management districts, and sanitary districts of Minnesota. Eligible projects are solid waste processing facilities that include resource recovery, such as recycling facilities, waste-to-energy facilities, composting facilities, transfer stations serving waste processing facilities, and facilities that will process special waste streams such as household hazardous waste. The CAP program gives special consideration to areas where natural geologic and soil conditions are especially unsuitable for land disposal of solid waste.

The 1994 legislative session expanded the scope of the CAP program to also include projects that improve control of or reduce air emissions at existing resource recovery facilities, and projects to substantially reduce the amount or toxicity of waste processing residuals. (M.S. 115A.54, Subd.2c)

Depending on the project type, a project may receive funding of 25 or 50% of the eligible capital cost, up to a maximum of \$2 million. However, multi-county cooperative projects can receive 25 or 50% of the eligible capital cost or up to \$2 million times the number of participating counties, whichever is less. The 1994 legislative session also increased the funding level for a transfer station from 25% to up to 75% (M.S.115A.54, Subd.2i).

A more detailed discussion of the 2-stage CAP application process is provided in Form F-1.

Current trends affecting how solid waste is managed in Minnesota are:

- **Landfills:** Only 26 of Minnesota's 136 permitted landfills remain open. The role of landfills as a primary disposal method has become more and more limited within Minnesota. The state requires that all new

AGENCY CAPITAL BUDGET BRIEF
Strategic Planning Summary (Cont'd.)
Fiscal Years 1996-2001

Form A

mixed municipal solid waste landfill capacity in Minnesota be limited to only that which is certified by the state to be necessary. If feasible and prudent alternatives to land disposal are not implemented, no additional landfill capacity can be permitted. This policy necessitates OEA participation and assistance in the development of resource recovery facilities to manage the waste in a manner appropriate to the characteristics of the waste stream.

- Construction of large scale facilities: The OEA has identified a trend toward the development of large scale regional solid waste processing facilities. Economies of scale make large resource recovery facilities more cost effective. Given the trend toward larger facilities, counties and waste haulers are becoming more dependant on the existing projects and their continued operation has become more critical.

These current trends result in the following 3 major issues affecting the CAP program and the state's policy of an integrated waste management system that will protect the state's land, air, water and other natural resources and the public health. The 3 issues are regional processing, waste assurance, and financial assistance.

1. Regional Processing: Currently, almost half of Minnesota's 87 counties are without access to a solid waste processing facility. As the development of primary solid waste processing facilities is costly, counties are seeing the value of joint ventures. Extensive cooperative efforts among counties could significantly reduce the need for new solid waste processing capacity in the next 20 years; however, multi-county cooperation needs to be developed over time. The regionalization of solid waste processing facilities and an integrated waste management approach promises the highest resource recovery rates and the most efficient utilization of existing capacity.

Although the OEA has always given preference to regional projects, stronger financial incentives are needed to continue the development of regional solid waste processing facilities that reduce reliance on land disposal of solid waste. Currently, the OEA is promoting regionalization by removing the CAP program's \$2 million grant limit for multi-county projects and by increasing the possible funding level for transfer stations serving existing resource recovery facilities.

2. Waste assurance: In 1994, Minnesota generated almost 4.8 million tons of municipal solid waste (Figure 1). Forty-two percent of Minnesota's solid waste, including yard waste, was recycled; 30% was managed by resource recovery MSW composting and incinerator facilities. Twenty-four percent of Minnesota's MSW was landfilled, including approximately 7% going directly to out-of-state landfills (OEA's Consolidated Solid Waste Report, July 1995).

Due to federal court rulings, a county's ability to require solid waste be delivered to a waste processing facility has been called into question. Counties are now, even with financial incentives, more cautious about embarking on costly solid waste processing projects. Without designation (flow control) or the implementation of alternative waste assurance mechanisms, a waste processing facility has to compete economically with landfill tipping fees, often in states without regulations requiring adequate environmental and financial safeguards.

Looking strictly at pricing, landfilling is cheaper than processing. However, Minnesota's goal is to protect its land, air, water and other natural resources and the public health by practicing landfill abatement. Furthermore, by managing waste at a processing facility, the counties, cities, businesses and residents of Minnesota limit their liability for superfund landfill clean-up in other states.

The future of landfill abatement versus landfilling is no longer a matter of the environment and public health; the future of an integrated solid waste management system rests heavily on economics. While the average cost per ton for landfilling waste within Minnesota today is \$44 the average cost per ton for solid waste composting is \$80 and \$70 for waste-to-energy facilities. Although processing is better for the environment, these facilities cannot compete with landfills without subsidies or an assured waste supply.

The OEA is working in cooperation with local government, the waste industry, and state and federal elected officials to solve the problem of waste assurance and economic disparity between resource recovery and land disposal. The OEA supports federal legislation that will clarify state and local governments authority to designate waste to solid waste processing facilities in order to protect the environment

AGENCY CAPITAL BUDGET BRIEF
Strategic Planning Summary (Cont'd.)
Fiscal Years 1996-2001

Form A

public health.

3. Financial Assistance (CAP): From the onset of the legislature's commitment in 1980 to provide capital assistance to stimulate and encourage the acquisition and betterment of solid waste processing facilities, the capital assistance program has received \$36.2 million in appropriations over a 15 year period.

Appropriations:

(Dollars in Millions)
\$ 8.8 (1980)
11.4 (1985)
4.0 (1987)
7.0 (1990)
2.0 (1992)
3.0 (1994)
\$36.2 (total)

Expenditures:

(Dollars in Millions)
Appropriations: \$36.2
Less:
Expenditures: (31.6)
Pending Awards: (2.7)
Balance: \$ 1.9

To date, more than half of the OEA's CAP funding has gone to "primary" processing facilities such as waste-to-energy and mixed MSW composting facilities. These types of facilities typically serve a larger population and handle a larger percentage of the waste stream. They also have a higher initial capital cost. Therefore, the OEA expects that funding of these systems will continue to represent the largest component of the OEA's capital bonding authority needs.

To determine the future need for solid waste processing facilities, the OEA prepared a 1993 preliminary assessment of regional waste management capacity, as directed by the state legislature (1992 Minnesota Session Laws, Chap. 593, sec. 49).

In assessing Minnesota's solid waste capacity, the report divided Minnesota's 87 counties and 1 sanitary district into 13 groups. The report estimated Minnesota's 1992 mixed municipal solid waste generation at 4.5 million tons and projected waste generation between 4.6 and 5.3 million tons per year by 2011.

Based on a reasonable projection of future capacity needs, all but 2 capacity groups would be experiencing a capacity shortfall by 2011. Six of the 13 capacity groups, totalling 46 counties, would experience significant capacity shortfalls of more than 100 tons per day (see Figure 2). These findings underscore the need for development of additional multi-county "primary" solid waste processing facilities (Groups 1, 6, 7, 8, 9, and 11). The cost to meet the projected processing capacity shortfalls can range from \$87 - \$160 million, dependent on the type of solid waste processing facilities put in place and the number of counties participating as a region. Figure 3 shows the current locations of Minnesota's "primary" processing facilities, and the counties either served or partially served, and those not served at all by a primary processing facility. Of Minnesota's 87 counties, 39 are not being serviced by a primary solid waste processing facility.

As solid waste is separated for management according to individual components of the waste stream, special waste management problems and/or opportunities are encountered. Household hazardous waste is an example of a special waste stream that was neglected until the 1988 changes in state law mandating household hazardous waste planning and the establishment of programs.

In an integrated solid waste management system, the OEA anticipates increased activity regarding special waste projects. The OEA also anticipates an increase in the need for financial assistance due to special waste projects and the continual legislative scope expansions of eligible projects under the CAP program.

The 1993 preliminary assessment of regional waste management capacity report states that the uncertainty over effective waste assurance mechanisms hinders the ability to obtain financing for capital costs. Without such financing, public and private developers are unlikely to move forward with the development of new facilities.

AGENCY CAPITAL BUDGET BRIEF
Strategic Planning Summary (Cont'd.)
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For counties, the primary source of capital for new solid waste facilities is through the issuance of tax-exempt bonds (county and state). Insufficient funding to the CAP program has hindered the development of solid waste processing facilities.

Minnesota counties, by law, have a significant level of responsibility for waste management programs within their boundaries. Counties must ensure the development of waste management systems which meet state mandates and promote state policies, but the counties determined when and how they will do that. Counties can, and some do, choose to continue landfilling all of their waste.

The CAP program is a state incentive program for counties to embark on expensive alternatives to landfills. The CAP program represents a partnership between the state and local governments to implement integrated solid waste management systems.

Minnesota is at a crucial point in its goal to develop an integrated solid waste management system. Minnesota's goal to move away from reliance on landfills and to properly manage its solid waste is more expensive than landfilling. Implementing a sustainable integrated system needs sustained legislative support and financial assistance.

In return for the \$31 million invested by the state for the development of an integrated solid waste management system, local government has invested 3 times as much - more than \$93 million in initial capital expenditures alone (see Figure 4).

4. PROVIDE A SELF-ASSESSMENT OF THE CONDITION, SUITABILITY AND FUNCTIONALITY OF PRESENT FACILITIES, CAPITAL PROJECTS OR ASSETS:

The OEA has expended approximately \$31 million to award 69 grants to 55 solid waste processing facilities (see Figure 5) - 23 recycling facilities, 9 transfer stations, 8 waste-to-energy facilities, 8 municipal solid waste compost facilities, 5 special waste stream projects, and 2 yard waste compost facilities.

Of the 55 state funded facilities, 7 are under construction. Of the remaining 48 facilities, 1 was not implemented, and 1 is experiencing operational/institutional problems resulting in temporary closure.

Minnesota is recognized as a leader in managing its solid waste and, at the same time, protecting the environment. Minnesota has more operating municipal solid waste compost and waste-to-energy facilities than any other state. These resource recovery processing facilities are minimizing the huge liabilities associated with landfill clean-ups. Public willingness, local government commitment, and CAP funding have all contributed to a successful partnership involving the state in protecting the environment and public health.

This partnership has allowed us to recover and/or process more than 70% of Minnesota's waste. Unfortunately, almost a third of Minnesota's municipal solid waste (26%) continues to be landfilled without treatment or recovery. New projects, expansion of existing projects, and essential air quality upgrades are necessary to give Minnesota the capacity to process this remaining waste, and future increases in waste generation.

Improving existing waste-to-energy facilities is a large portion of the OEA's bond request. Six publicly owned projects serve all or a portion of 20 counties in greater Minnesota. Proposed EPA regulations will force each of these facilities to expend between \$2 to \$4 million in additional capital costs. The new air pollution control systems would go even further in protecting the environment. However, without financial aid, some or all of these essential projects could be forced to close. If so, the only alternative for these counties would be a return to reliance on land disposal.

Minnesota is well on its way in obtaining its goal of an integrated solid waste management system with minimum reliance on landfills. Minnesota is in need of stronger legislative support and financial assistance to maintain and continue its progress in developing an integrated waste management system whereby all of Minnesota has access to a primary solid waste processing facility.

AGENCY CAPITAL BUDGET BRIEF
Strategic Planning Summary (Cont'd.)
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5. DESCRIBE THE AGENCY'S LONG-RANGE STRATEGIC GOALS AND CAPITAL BUDGET PLAN:

The OEA's goal is to protect the environment and to conserve resources by planning and promoting an integrated waste management system. The long-range strategic goal for the CAP program is to assist local governments in establishing an integrated solid waste management system to serve all of Minnesota. CAP's funding of essential infrastructure is a key part of that goal.

The Waste Management Act focused on recovery of materials and energy from waste, thereby minimizing land disposal of solid waste. Many counties have developed or contracted with waste processing facilities to reduce land disposal. The OEA has assisted in this effort by providing financial assistance and technical assistance with planning and implementation through the CAP program.

To further the goal of the Waste Management Act, the OEA will revise the CAP program rules to offer more than the current \$2 million grant limit for multi-county projects. The OEA will also promote the following 3 recommendations to the state and/or federal legislatures:

1. **Waste Assurance:** The OEA supports federal legislation that will clarify state and local governments' authority to designate waste to facilities. Such legislation would insure the development of an integrated waste management system whereby waste is not simply landfilled, but managed in a manner appropriate to the characteristics of the waste stream. Waste assurance mechanisms have played an integral role in the development of Minnesota's solid waste management system. Without some method of assuring waste to a resource recovery facility that is forced to compete with less costly landfills, local governments and private companies will find it difficult to finance such facilities.
2. **Incentives for Regional Cooperation:** The OEA CAP program gives funding preference to multi-county projects. The CAP program will now give larger grants for multi-county projects as well. An increase in CAP appropriations is necessary to assure the development and success of "primary" solid waste processing facilities.

To encourage more private involvement in solid waste management, the OEA will also encourage the legislature to provide financial incentives to the private sector for development of resource recovery facilities. The CAP program itself does not have the ability to further encourage private sector involvement in developing solid waste processing capacity. The CAP program is a bond-funded program limited to projects that are publicly owned and located on public land.

3. **State and Regional Planning:** The OEA will continue to assist counties by providing statewide and regional strategies for integrated waste management. These strategies would be developed every 6 years, beginning in 1997, and would further the goals of the Waste Management Act by enabling the state to 1) identify and direct resources to the appropriate waste management strategies to meet state goals, 2) recommend approaches that reflect the differences among various areas of the state, 3) identify regional partnerships that will meet state goals in a cost-effective manner, and 4) assist counties in optimizing the use of existing solid waste facilities and in developing new facilities through a deliberate and prudent planning process.

6. AGENCY PROCESS USED TO ARRIVE AT THESE CAPITAL REQUESTS:

To arrive at the current bond request of \$16.6 million for the Solid Waste Management CAP Program for F.Y. 96-97, the OEA reviewed the county solid waste management plans, information submitted by local governments developing solid waste facilities, and the Preliminary Assessment of Regional Waste Management Capacity report. The OEA staff spoke with numerous county solid waste officers and considered state policy regarding solid waste management in Minnesota as well.

Currently, of Minnesota's 87 counties, 39 are not being serviced by a primary solid waste processing facility, and 7 others are only partially served. This fact clearly indicates the need for further infrastructure development. When implemented, the projects outlined in the 6-year projection request would meet processing needs statewide.

AGENCY CAPITAL BUDGET BRIEF
Strategic Planning Summary (Cont'd.)
Fiscal Years 1996-2001

Form A

7. AGENCY CAPITAL BUDGET PROJECTS DURING THE LAST SIX YEARS (1990-1995):

To assist local governments with the difficult move from sole reliance on landfills to an integrated waste management system, the state created the DEMO program in 1980. The DEMO program consisted of grants and loans. Due to the overwhelming interest in the grants, the DEMO program evolved into an all grants CAP program in 1985. From 1980 to the present, the program has been appropriated \$36.2 million.

Currently, the OEA has \$4.6 million remaining in the CAP program, and 2 pending applications of about \$2.7 million. Award of the pending requests will leave approximately \$1.9 million to continue the pursuit of an integrated solid waste management system that will protect the state's land, air, water and other natural resources and the public health.

In comparison to the total program expenditures of \$31 million since 1980, the last 6 years (1990-95) accounted for almost \$15 million in state assistance to local governments. The local governments, in turn, have matched OEA funds with more than \$48 million in the last 6 years toward the development of solid waste processing facilities. Of the 69 grants awarded, 28 were awarded in the last 6 years.

8. OTHER (OPTIONAL):

N/A.

9. AGENCY CONTACT PERSON, TITLE, AND PHONE

Mr. Sigurd Scheurle, Supervisor
Local Government Assistance Unit
(612) 215-0197

Office of Environmental Assistance
520 Lafayette Road, Second Floor
St. Paul, MN 55155-4100

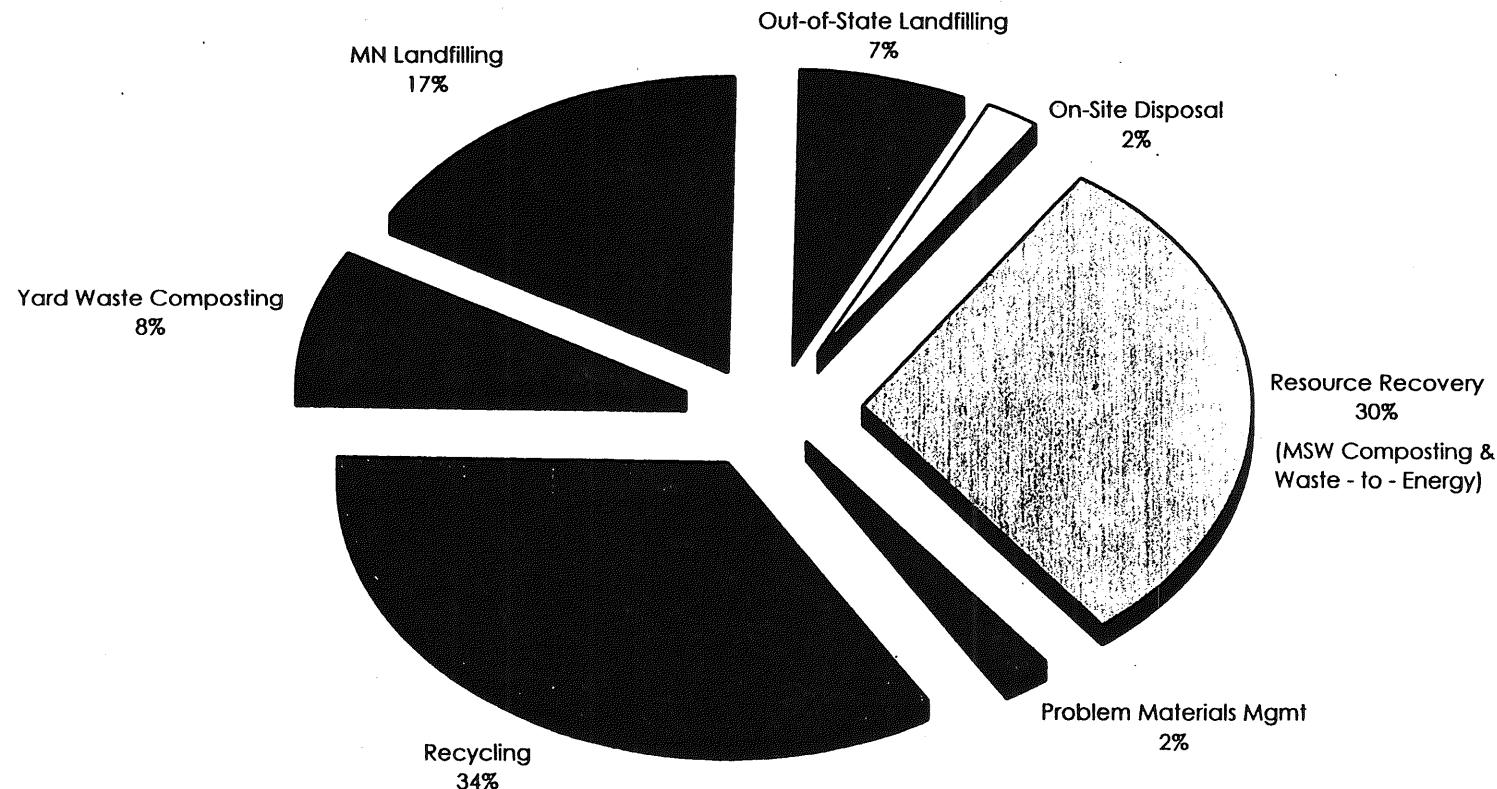
AGENCY CAPITAL BUDGET BRIEF
Strategic Planning Summary (Cont'd.)
Fiscal Years 1996-2001

Form A

Minnesota Solid Waste Management System
1994

MN MSW Generated: 4.8 million tons

Figure 1



AGENCY CAPITAL BUDGET BRIEF
Strategic Planning Summary (Cont'd.)
Fiscal Years 1996-2001

Form A

Figure 2

Processing Capacity Needed in 2011

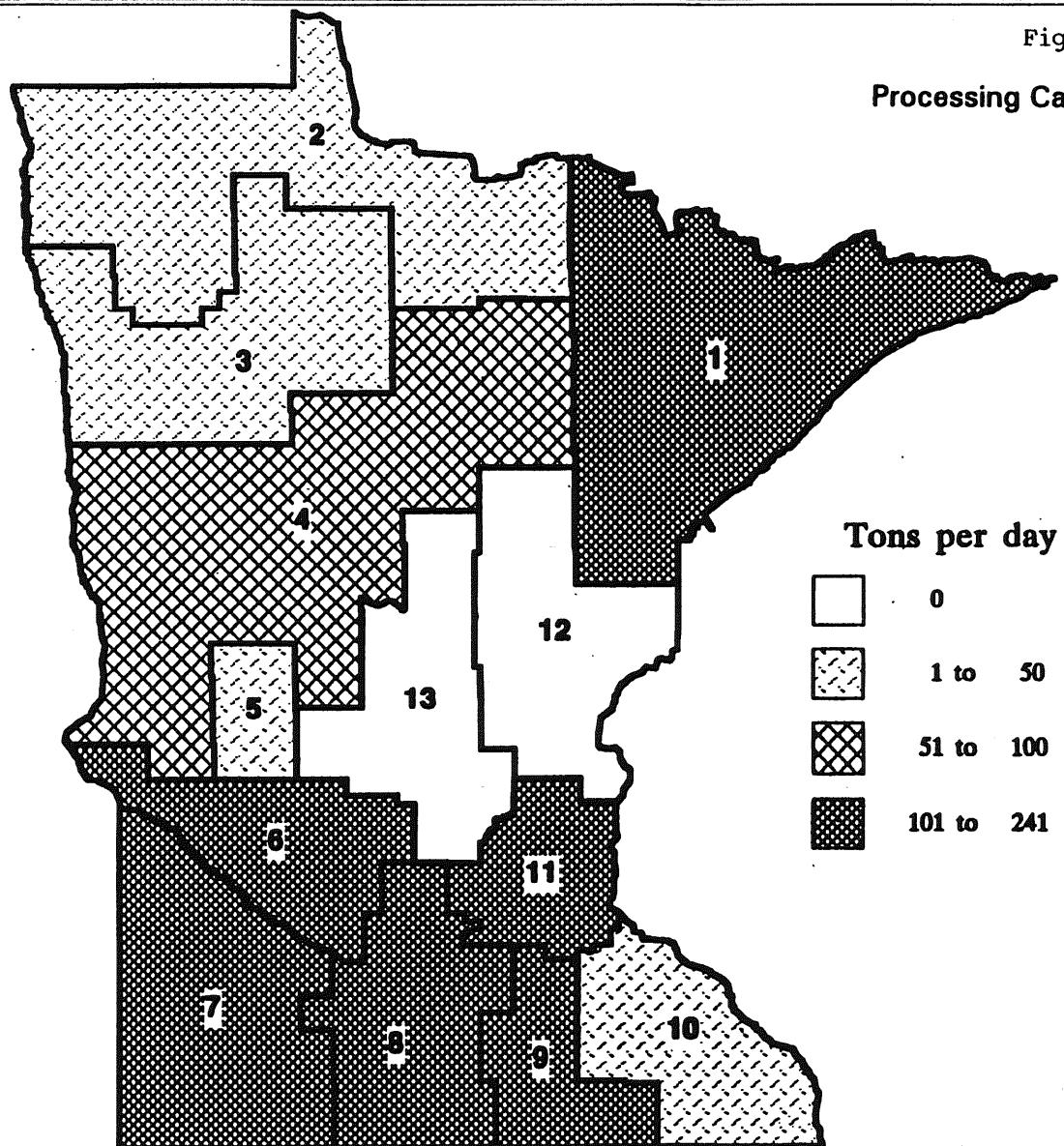
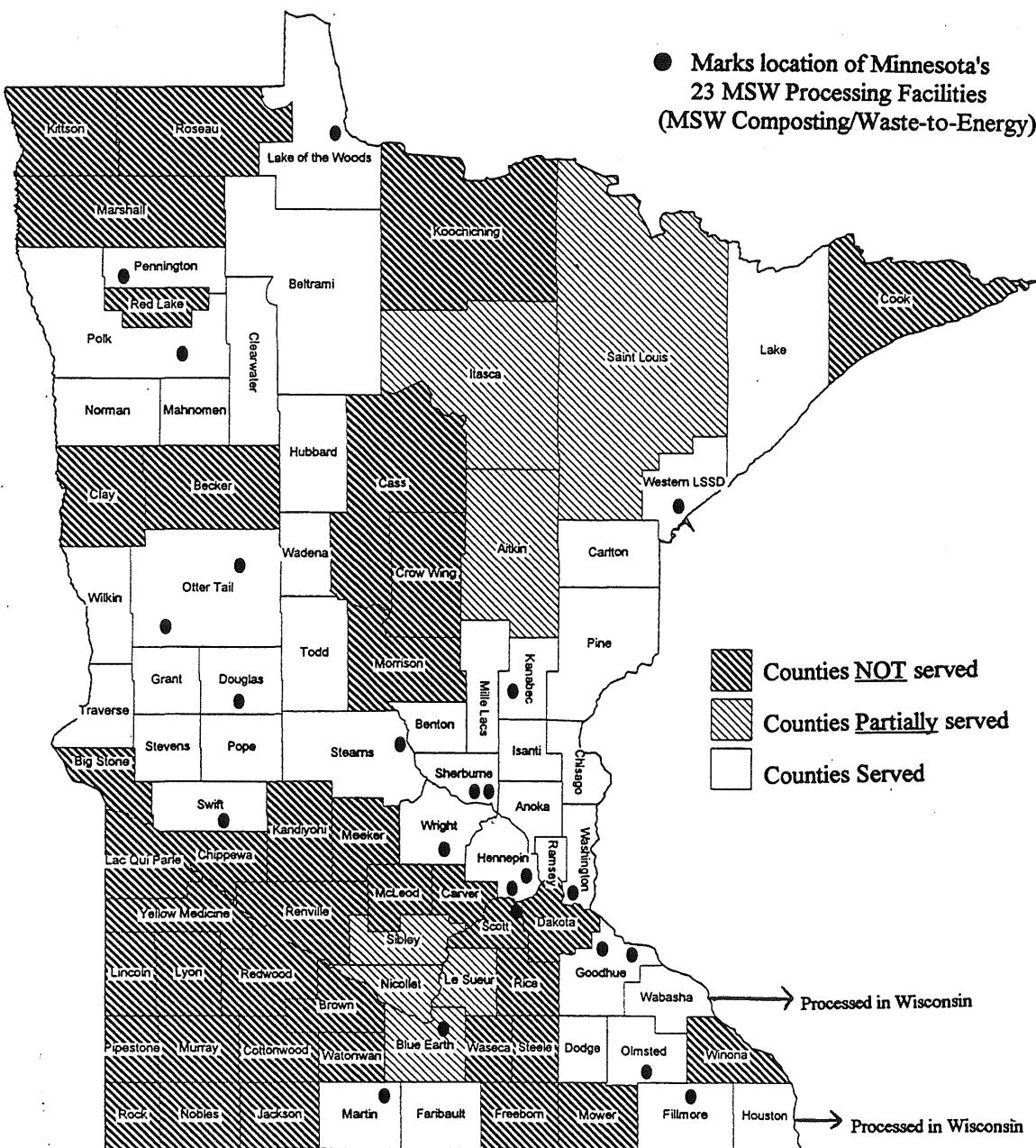


Figure 3

Processing of Minnesota's Mixed Municipal Solid Waste (MSW) by a Public and/or Private MSW Processing Facility

PAGE B-261



AGENCY CAPITAL BUDGET BRIEF
Strategic Planning Summary (Cont'd.)
Fiscal Years 1996-2001

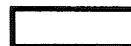
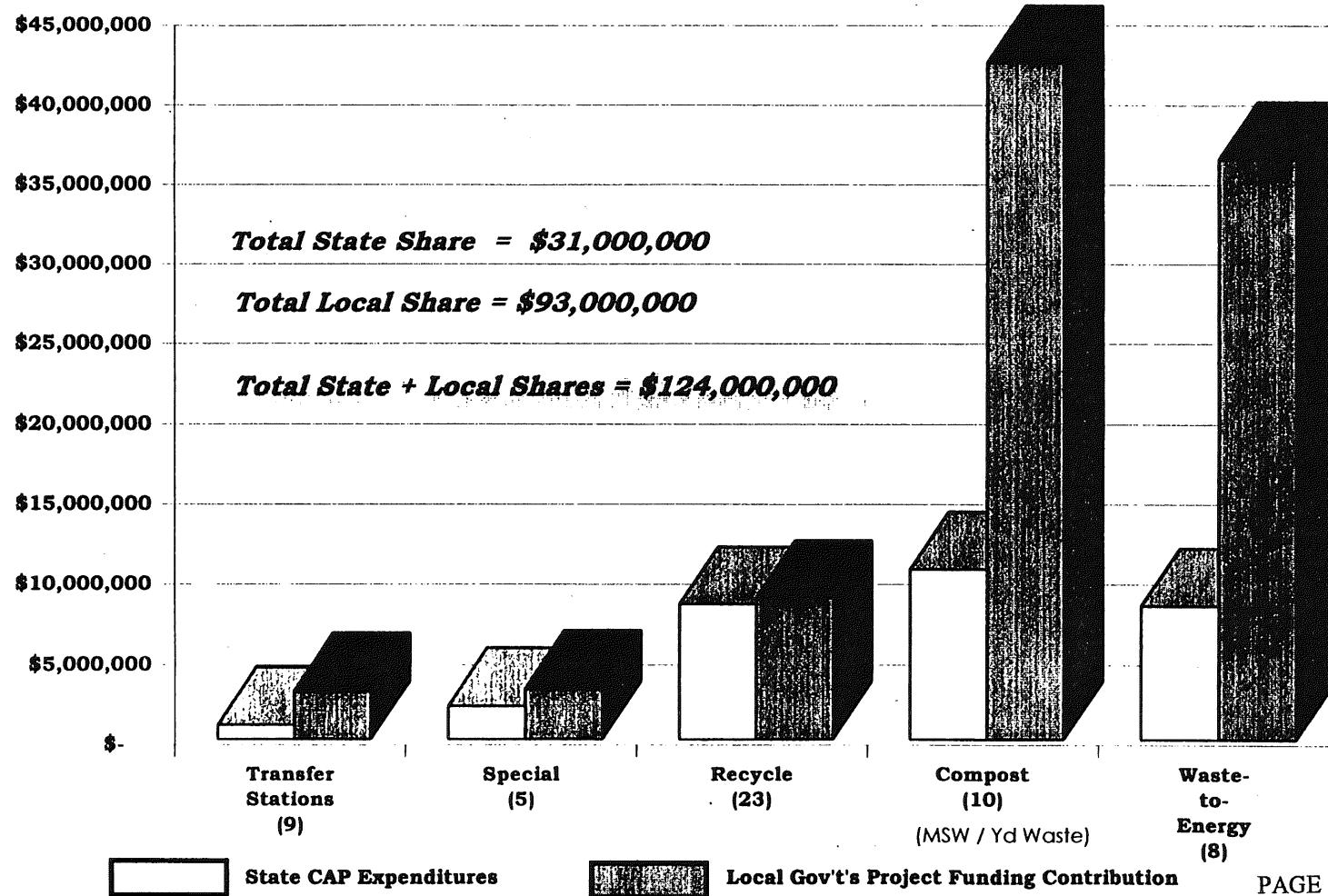
Form A

**CAP Expenditures by Project Type
1980 to 1995**

Figure 4

Expenditures

STATE \$\$ SHARE & LOCAL \$\$ SHARE



State CAP Expenditures



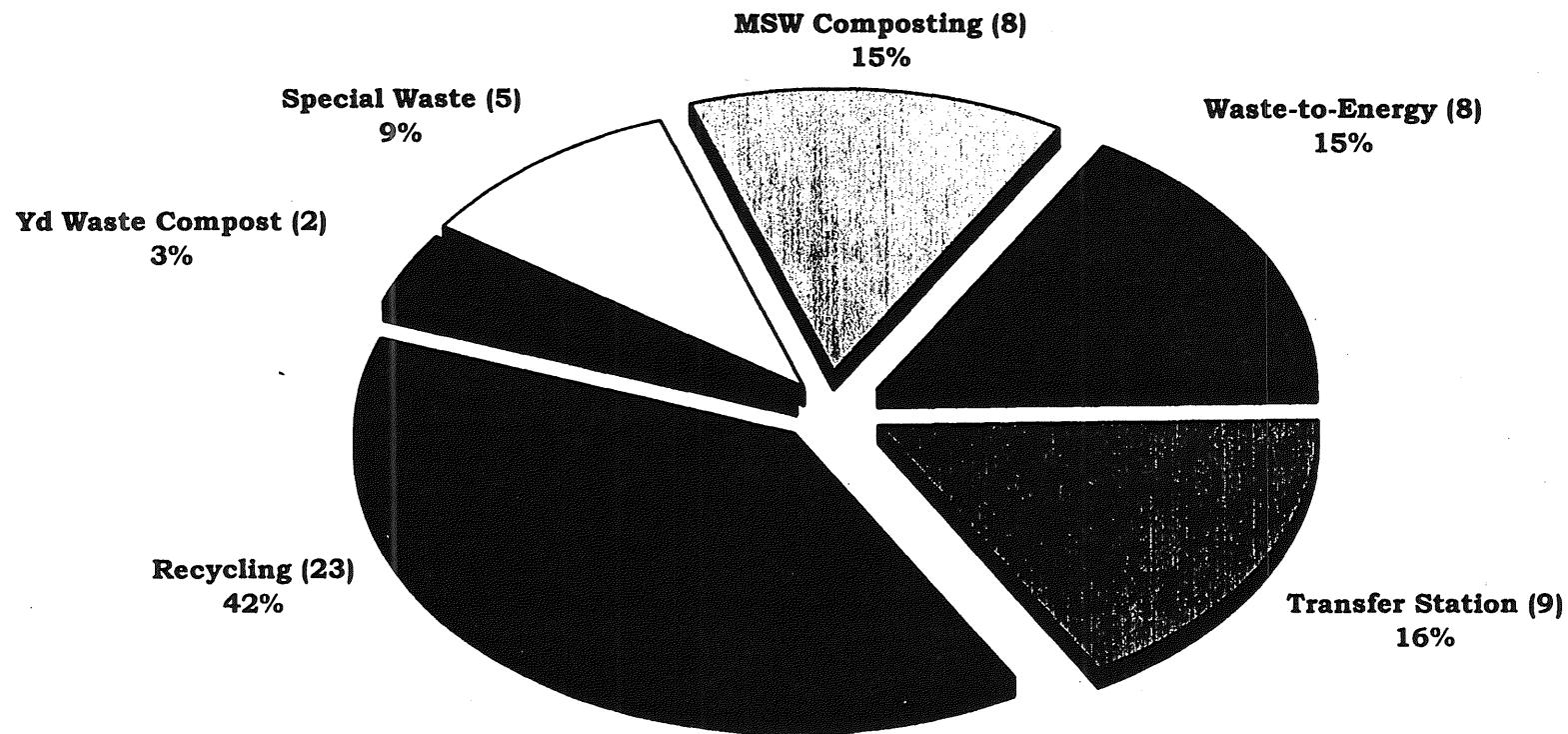
Local Gov't's Project Funding Contribution

AGENCY CAPITAL BUDGET BRIEF
Strategic Planning Summary (Cont'd.)
Fiscal Years 1996-2001

Form A

**CAP Funded Projects
by Technology
1980 - 1995**

Figure 5

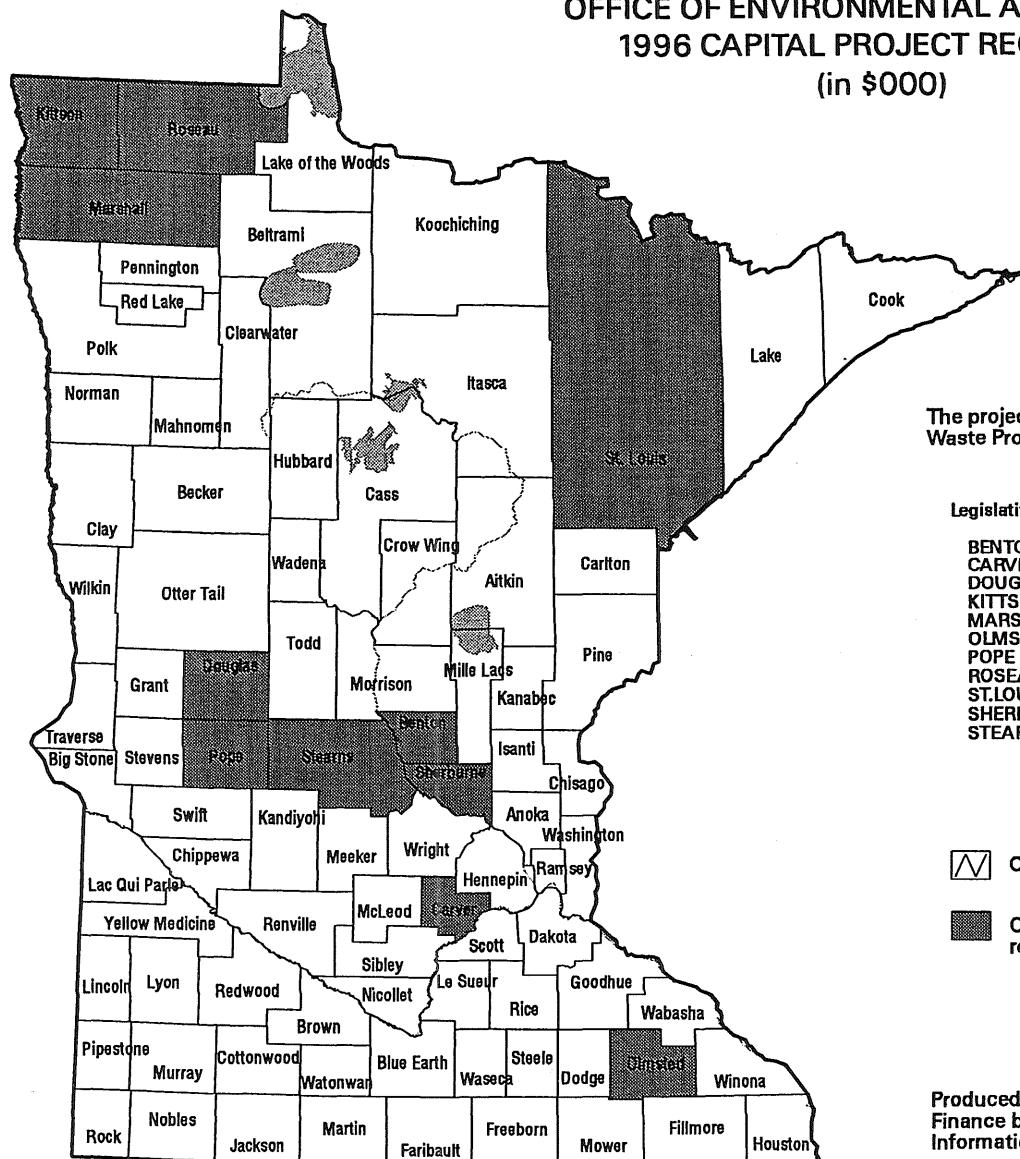


AGENCY CAPITAL BUDGET BRIEF
Projects Summary
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form B

AGENCY: Environmental Assistance, Office of

OFFICE OF ENVIRONMENTAL ASSISTANCE
1996 CAPITAL PROJECT REQUESTS
(in \$000)



The project request of \$16.6 million is for the Solid Waste Processing Facilities Grants.

Legislative Districts for the Shaded Counties

BENTON	14A 16A 17B
CARVER	20B 35A 43A
DOUGLAS	10A 10B 11B 13A
KITTSON	1A
MARSHALL	1A 1B
OLMSTED	28B 30A 30B 31A 31B
POPE	10B 13A 14B
ROSEAU	1A
ST.LOUIS	3A 3B 5A 5B 6A 6B 7A 7B 8A
SHERBURNE	17B 19A 19B
STEARNS	10B 11B 14A 14B 16A 16B 20A

County Boundaries

Counties where the budget request would occur, if fully funded.

Produced for the Minnesota Department of
Finance by Minnesota Planning, Land Management
Information Center, December, 1995.

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AGENCY CAPITAL BUDGET REQUEST

Non-Building Program Detail

Form F-1

Fiscal Years 1996-2001

Dollars in Thousands (\$137,500 = \$138)

AGENCY: Environmental Assistance, Office of (OEA)

PROJECT TITLE: Solid Waste Processing Facilities Capital Assistance

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$16,600

STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$25,900

STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$12,000

LOCATION (CAMPUS, CITY, COUNTY): State of Minnesota

AGENCY PRIORITY (for projects in the 1996 session only):

1 of 1 requests

1. PROJECT DESCRIPTION:

The Waste Management Act has advocated integrated solid waste management and resource recovery since 1980. Under the Solid Waste Processing Facilities Capital Assistance Program (CAP), the Minnesota Office of Environmental Assistance (OEA) has offered grants to local governments to help finance the capital costs of constructing solid waste processing facilities. Through the CAP program, the OEA has helped finance more than 50 solid waste resource recovery and processing facilities.

Eligible recipients are limited to cities, counties, solid waste management districts, and sanitary districts. Projects eligible for CAP grants are solid waste processing facilities that include resource recovery. Examples of eligible projects include:

- Waste-to-energy facilities
- Recycling facilities
- Composting facilities
- Transfer stations that will serve waste processing facilities
- Waste incineration facilities with resource recovery
- Facilities that will process special waste streams
- Projects to improve control of or reduce air emissions

- Projects to substantially increase recovery of materials or energy, substantially reduce the amount or toxicity of waste processing residuals, or expand the capacity of an existing resource recovery facility in order to meet the needs of expanded regions.

Examples of eligible capital costs are:

- Final design, engineering and architectural plans
- Land
- Structures
- Waste processing equipment
- On-site roads, parking and landscaping
- Transfer station structures and transportation containers

An OEA approved county comprehensive solid waste management plan is a prerequisite to receiving CAP funds. The plan requires that the counties research all solid waste management alternatives. The OEA refers to the county plan to ensure that a project is consistent with the solid waste activities described in the plan. The project must be publicly owned and located on public land. However, under lease arrangements, a county or local unit of government may lease the facility and operations to a private business. The OEA encourages public-private cooperation in facility development and operation.

Depending on the project type, a project may receive funding of 25 or 50% of the eligible capital cost, up to a maximum of \$2 million. However, multi-county cooperative projects can receive 25 or 50% of the eligible capital cost or up to \$2 million times the number of participating counties, whichever is less. The 1994 legislative session also increased the funding level for a transfer station from 25% to up to 75%. A project to construct a new mixed municipal solid waste transfer station that has an enforceable commitment of at least 10 years, or of sufficient length to retire bonds sold for the facility, to serve an existing resource recovery facility may receive grant assistance up to 75% of the capital cost of the project if addition of the transfer station will increase substantially the geographical area served by the resource recovery facility and the ability of the resource recovery facility to operate more efficiently on a regional basis.

**AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)**

**Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)**

Form F-1

The OEA encourages applicants to request technical assistance from OEA staff prior to submitting an application. Technical assistance provided by the OEA includes public education, public presentations, financial and technical information and referrals to similar projects. The OEA assists developers in resolving technical, financial, and institutional challenges associated with the proposed projects.

The rules governing the CAP program establish a competitive, 2-stage application process that allows the OEA to identify and assist projects that will be most beneficial in meeting the state solid waste management goals.

Preliminary applications are evaluated and prioritized based on the following factors:

1. The consistency of the proposed project with the comprehensive solid waste management plan of each affected county;
2. The consistency of the proposed project with regional solid waste management needs;
3. The extent to which the applicant is prepared to implement the proposed project upon receipt to a grant award;
4. For projects serving eligible jurisdictions in only a single county, the extent to which cooperation with jurisdictions in other counties to develop the proposed project is not feasible; and
5. The consistency of the proposed project with the legislative priorities.

The director of the OEA also gives special consideration to: 1) areas where natural geologic and soil conditions are especially unsuitable for land disposal of solid waste; 2) areas where the capacity of existing solid waste disposal facilities is determined to be less than five years; and 3) projects serving more than one local unit of government.

After determining which applications will provide the greatest benefit to the state in achieving its goals of resource recovery and landfill abatement, the director selects finalists and invites the applicants to submit a final application. The final applications are evaluated to determine whether the applications demonstrate the following:

- that the project is conceptually and technically feasible;
- that affected political subdivisions are committed to implementing the project, providing necessary local financing, and accepting and exercising the governmental powers necessary for project implementation and operation;
- that operating revenues for the project, considering the availability and security of resources of solid waste and of markets for recovered resources together with any proposed federal, state, or local financial assistance, will be sufficient to pay all costs over the projected life of the project;
- that the applicant has evaluated the feasible and prudent alternatives to disposal and has compared and evaluated the costs to generators, and the effects of the alternatives on the solid waste management and recycling industry within the project's service area;
- that for projects serving eligible jurisdictions in only a single county, cooperation with jurisdictions in other counties to develop the project is not needed or not feasible; and
- that the project is not financially prudent without state assistance, because of the applicant's financial capacity and the problems inherent in the waste management situation in the area, particularly transportation distances and limited waste supply and markets for resources recovered.

The final applications are reviewed by the OEA staff, the OEA's Solid Waste Management Advisory Council, the Minnesota Pollution Control Agency, and other appropriate regional development commissions. Based on recommendations by OEA staff, the Advisory Council, and others, the director makes the final decision on grant awards.

Recipients must provide the balance of project funding and submit annual written reports to the OEA on the project's progress. From these reports, the OEA shares the knowledge and experience gained from CAP funded projects with other Minnesota communities.

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

The OEA's long-term strategic goal is to help local units of government establish cost effective and environmentally sound integrated solid waste management systems by maximizing the recovery of materials and energy from waste. These new systems are Minnesota's best protection against financial liabilities and environmental degradation resulting from land disposal of solid waste.

The CAP program serves to encourage counties to accept the responsibilities of managing solid waste and to also work together. By doing this, the CAP program serves to develop an integrated solid waste management system in Minnesota whereby all counties will have access to a solid waste processing facility.

The OEA's solid waste processing facilities CAP program has been and will continue to evolve in response to changing local solid waste management needs. In response to a request from the state legislature, the OEA prepared a Preliminary Assessment of Regional Waste Management Capacity report to determine the future need for solid waste processing capacity.

The report grouped Minnesota's 87 counties and 1 sanitary district into 13 groups. Based on a projected waste generation of about 5 million tons per year by the year 2011, the report forecasted that 6 of the 13 groups (a total of 46 counties) would experience significant capacity shortfalls by 2011. This means that a minimum of 6 additional multi-county primary solid waste processing facilities need to be in place before the year 2011.

The trend of moving away from landfilling and to environmentally sound management facilities will continue to lead to high demand for CAP grants and technical assistance.

3. PREVIOUS PROJECT FUNDING:

The CAP program has received \$36.2 million in appropriations over the last 15 years. Of that amount, the OEA has expended more than \$31 million in developing solid waste management processing facilities. The state's

expenditure for solid waste management is barely a third of that expended by local governments (\$93 million).

The CAP program currently has a balance of approximately \$4.6 million with 2 applications under review. If the applications are funded at the requested level, approximately \$1.9 million will be available for the upcoming 1995-96 CAP funding round.

4. OTHER CONSIDERATIONS (OPTIONAL):

Without the CAP program's offering of technical and financial assistance, many local governments would have less incentive to be moving forward in addressing the solid waste management issue. For many counties, developing an integrated solid waste management system is a complex, controversial, and expensive endeavor. Counties have little or no experience with the process. CAP is an incentive to proceed and an opportunity for the state of Minnesota to become involved in the project development process. The OEA's involvement is helpful to developing good projects which are institutionally, financially, and technically sound.

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

<u>Project Title</u>	<u>Project Detail</u> (Dollars in Thousands)			<u>2000 Session:</u>
	<u>Agency Request</u>	<u>Local Match</u>	<u>Total</u>	
<u>1996 Session:</u>				
Olmsted - Emissions	\$ 2,000	\$ 2,000	\$ 4,000	North Central - Resource Recovery \$ 6,000
WLSSD - Emissions	4,650	4,650	9,300	West Central -Resource Recovery 6,000
Pope/Douglas - Emissions	2,500	2,500	5,000	Total 12,000
Markit - Resource Recovery	1,000	1,000	2,000	
St. Louis - HHW	150	150	300	
Tri-County - Resource Recovery/TS	2,000	2,000	4,000	
Southwest Metro - HHW	300	300	600	
St. Louis - Resource Recovery	<u>4,000</u>	<u>11,000</u>	<u>15,000</u>	
Total	\$ 16,600	\$ 23,600	\$ 40,200	
<u>1998 Session:</u>				
City of Red Wing - Emissions	\$ 1,800	\$ 1,800	\$ 3,600	
Fergus Falls - Emissions	3,100	3,100	6,200	
Polk - Emissions	1,800	1,800	3,600	
Beltrami - MRF	300	300	600	
Clay/Becker - Resource Recovery	3,000	3,000	6,000	
Sherburne - HHW	100	100	200	
Southeast Metro - HHW	300	300	600	
SW Commission - RR/HHW	9,000	9,000	18,000	
Morrison - HHW	100	100	200	
Steele + - Compost	6,000	8,000	14,000	
Grant - MRF	200	200	400	
Chippewa - MRF	<u>200</u>	<u>200</u>	<u>400</u>	
Total	\$ 25,900	\$ 27,900	\$ 53,800	

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-2

TYPE OF REQUEST (Check all that apply):

- Acquisition of State Assets
- Development of State Assets
- Maintenance of State Assets
- Grants to Local Governments
- Loans to Local Governments
- Other Grants (specify):

PROJECT CHARACTERISTICS (Check all that apply):

- Health and Safety
- Enhancement of Existing Programs/Services
- Expansion of Existing Program/Services
- Provision of New Program/Services
- Other (specify):
Environmental
Resource Recovery

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

- Cash: \$ _____ Fund _____
- Bonds: \$ 16,600 Tax Exempt Taxable _____

STATE DEBT SERVICE PAYMENTS (Check all that apply):

- General Fund % of total 100
- User Financing % of total _____

Source of funds _____

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ <u>117,637</u>
State funding received	\$ <u>36,200</u>
Federal funding received	\$ <u>-0-</u>
Local government funding received	\$ <u>81,437</u>
Private funding received	\$ <u>-0-</u>

For 1996 Session (F.Y. 1996-97)

State funding requested	\$ <u>16,600</u>
Federal funding	\$ <u>-0-</u>
Local government funding	\$ <u>23,600</u>
Private funding	\$ <u>-0-</u>

For 1998 Session (F.Y. 1998-99)

State funding estimate	\$ <u>25,900</u>
Federal funding	\$ <u>-0-</u>
Local government funding	\$ <u>27,900</u>
Private funding	\$ <u>-0-</u>

For 2000 Session (F.Y. 2000-01)

State funding estimate	\$ <u>12,000</u>
Federal funding	\$ <u>-0-</u>
Local government funding	\$ <u>12,000</u>
Private funding	\$ <u>-0-</u>

Total Project Costs (all years)	\$ <u>235,637</u>
State funding requested(all years)	\$ <u>90,700</u>
Federal funding (all years)	\$ <u>-0-</u>
Local government funding (all years)	\$ <u>144,937</u>
Private funding (all years)	\$ <u>-0-</u>

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

DEPARTMENT OF FINANCE ANALYSIS:

Minnesota's solid waste management policy is outlined in M.S. 115A.02 articulates an integrated, hierarchical approach to waste management beginning with waste reduction and reuse at the top of the hierarchy and ending with land filling at the bottom. Projects funded by this request fall in between these 2 categories, but support the goal to reduce the amount of unprocessed waste going to land fills. OEA, in its 1995 "Consolidated Solid Waste Report" reported that in 1994, Minnesota's mixed municipal solid waste was processed less and land filled more, including more waste going to out-of-state facilities. These factors pose a threat to the environment and undermine waste management in Minnesota. This request addresses the need for providing an integrated system of facilities, statewide, for processing solid waste. While the state's financial support for infrastructure reduces processing costs, it still does not overcome the cost differential of land filling or out-of-state hauling. The economics of disposal at alternative processing facilities of the types being requested are still unfavorable compared to the cheaper alternatives.

GOVERNOR'S RECOMMENDATION:

The Governor recommends general obligation bonding of \$8 million for this project. Also included are budget planning estimates of \$8 million in 1998 and \$8 million in 2000.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	120
Safety Concerns	0/35/70/105	35
Customer Services/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	60
Asset Management	0/20/40/60	0
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	50
	Total	470

STATE OF MINNESOTA**FY 1996 - 2001****Capital Budget Requests****Governor's Recommendations****(By Agency & Scores)****(in \$000)**

Project Description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				FY 96	FY 98	FY 00		FY 98	FY 00

Pollution Control Agency

Red Wing Combined Sewer Overflow	02	400	GO/UF	3,349	0	0	3,349	0	0
Automated Water Quality Monitoring	01	360	GF	200	0	0	200	0	0
Agency Totals				\$3,549	\$0	\$0	\$3,549	\$0	\$0

Funding Source

GO = General Obligation Bonds

THF = Trunk Highway Fund

FF = Federal Funding

GF = General Fund Direct Appropriation

UF = User Financing

LF = Local Funding

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AGENCY CAPITAL BUDGET BRIEF
Strategic Planning Summary
Fiscal Years 1996-2001

Form A

1. AGENCY: Pollution Control Agency

2. AGENCY MISSION STATEMENT:

The mission of the Pollution Control Agency (PCA) is to protect and improve Minnesota's air, water and land to secure the quality of life of its citizens. To achieve this mission the PCA monitors and assesses the environment; establishes goals and sets protective standards; issues permits and defines management practices; provides technical, educational and financial assistance; takes enforcement actions and resolves complaints; supervises clean up and remediation of contaminated sites; promotes pollution prevention activities; responds to environmental threats such as spills; provides information to raise public awareness and understanding; and provides forums for public discussions on environmental issues.

3. TRENDS, POLICIES AND OTHER ISSUES AFFECTING THE DEMAND FOR SERVICES, FACILITIES OR CAPITAL PROGRAMS:

AUTOMATED WATER QUALITY MONITORING SYSTEM:

The emphasis of the water quality program is shifting from point source pollution to include both point source and nonpoint source pollution. Monitoring must likewise change.

Across the country, state and federal agencies are rethinking their approaches to protecting and improving water quality. As issues become more complex, our programs must become more holistic and interdisciplinary, more geographically targeted, and more focused on the particular needs of the water resources. A new monitoring and assessment strategy has been developed for water quality which incorporates the strategic direction of a geographically based approach to environmental management. Monitoring provides information of several types: condition monitoring; problem investigation monitoring; and effectiveness monitoring. Comprehensive monitoring strategy includes a number of approaches and monitoring plans are being developed as part of basin plans. One piece of an overall monitoring plan is the location and operation of permanent monitoring stations.

Implementation of a comprehensive monitoring strategy will provide information which will allow the allocation of resources for the most effective results using the most efficient means.

COMBINED SEWER OVERFLOW:

Improvements in the water quality of the Mississippi River from the Twin Cities Metro Area and down stream through Lake Pepin is both a state of Minnesota and national goal. The river is used for transportation, industrial processes, drinking water supply and recreation. Solving the combined sewer overflow (CSO) problem leads toward achieving the overall water quality goal of "feasible and swimmable" and expanded public uses.

Combined sewer systems are those systems that transport both storm water runoff and sewage in the same pipe. The combined sewers do not have the capacity to carry all of the flow that occurs during periods of runoff from rainstorms or snow melt. The result is the overflow of the mixture of sewage and storm water in the combined sewers into the Mississippi River. The CSO program seeks to provide 2 separate sewer systems for storm water and sewage and eliminate untreated sewage discharges to the Mississippi River.

The request for bonding authority for CSO in F.Y. 1996 is the final request for the city of Red Wing. The successful completion of CSO work in Red Wing will result in the elimination of combined sewer overflows in Minnesota.

4. PROVIDE A SELF-ASSESSMENT OF THE CONDITION, SUITABILITY AND FUNCTIONALITY OF PRESENT FACILITIES, CAPITAL PROJECTS OR ASSETS:

WATER QUALITY MONITORING SYSTEM:

In 1995, Bond Counsel determined that water monitoring stations cannot be financed with tax exempt bonds. The Department of Finance is requesting PCA submit a request to replace the appropriation under Laws of 1994, Chap. 643, Sec. 24.,subd. 3, which authorized \$200 thousand

AGENCY CAPITAL BUDGET BRIEF
Strategic Planning Summary (Cont'd.)
Fiscal Years 1996-2001

Form A

for 10 permanent monitoring stations, with general fund financing. The 10 stations will be constructed in the Minnesota River basin, one of the first basins to have a basin plan completed. Future request for additional water monitoring stations will be included in the next biennial budget request.

COMBINED SEWER OVERFLOW:

The city of Red Wing has 1,139 acres of combined sewer area remaining to be separated. The completion of the sewer separation will eliminate the discharge of untreated sewage to the Mississippi River.

The CSO program has been successful in Minneapolis, St. Paul and South St. Paul in an aggressive project to eliminate overflows over a 10-year period. The Twin Cities sewer separation is in its final year of construction in 1995. With the success of the Twin Cities program and the water quality improvements that have occurred on the Mississippi River in the Metro Area, the PCA has required Red Wing to eliminate all CSO discharges. The city is currently under a PCA permit to complete construction of its sewer separation program.

5. DESCRIBE THE AGENCY'S LONG-RANGE STRATEGIC GOALS AND CAPITAL BUDGET PLAN:

The PCA has adopted mission and goals statements which reflect our vision of environmental protection for the remainder of this century. The strategic directions are: indicators and risk-based priorities; geographically based approach to environmental management; preventing pollution; environmentally sustainable economic development; partnerships and intergovernmental coordination; education; organizational efficiency and flexibility; and customer service. The first 2 are the current areas of emphasis, however, progress will be made towards all strategic directions.

With the completion of the CSO program, the PCA plans to continue making requests for Environmental Loan Program dollars in cooperation with the Public Facilities Authority. These dollars, targeted to the Wastewater Infrastructure Fund (WIF) will address ongoing environmental needs which are not being addressed due to the lack of adequate funding within local units of government. These funds should be available to

address inflow and infiltration, aging wastewater treatment facilities, unsewered communities, and other needs which have a significant impact on the environment.

WATER QUALITY MONITORING SYSTEM:

This request supports our geographically based approach to environmental management and will be directly linked to basin plans as they are developed. The basin planning process will incorporate all of the strategic directions, especially partnerships and intergovernmental coordination, indicators and risk based priorities, and pollution prevention.

COMBINED SEWER OVERFLOW

The PCA supports completion of the CSO program in Red Wing and in the state with a final Capital Budget request for F.Y. 1996. This will result in the elimination of all CSO to the Mississippi River in Minnesota. This request supports preventing pollution, and partnerships and intergovernmental coordination. It supports targeting of the Mississippi River.

6. AGENCY PROCESS USED TO ARRIVE AT THESE CAPITAL REQUESTS:

Ideas were formulated in meetings involving managers, supervisors and program staff. The PCA then met with staff of the Public Facilities Authority to discuss capital needs, sources of funding and priorities. Outside partners, such as the Association of Minnesota Counties, Clean Water Action, and the League of Cities were brought in for a brainstorming session. The Public Facilities Authority request, and the PCA capital budget strategic direction were the results of these meetings. Meetings continued over the summer to refine ideas and develop the final requests.

WATER QUALITY MONITORING SYSTEM:

The PCA reviewed the recommendations of an internal monitoring and assessment planning committee. A capital budget request is being pursued as one part of a comprehensive, long-term water quality monitoring plan.

AGENCY CAPITAL BUDGET BRIEF
Strategic Planning Summary (Cont'd.)
Fiscal Years 1996-2001

Form A

COMBINED SEWER OVERFLOW:

The Minnesota legislature adopted the accelerated CSO cleanup plan in 1985 for the Twin Cities area with new state CSO funding and a statutory 10-year deadline. The PCA, the U.S. Environmental Protection Agency, and the city of Red Wing worked together to adopt a new state/federal discharge permit for the CSO discharges. The permit contains a schedule of completion of sewer separation projects that will eliminate CSO discharges.

7. AGENCY CAPITAL BUDGET PROJECTS DURING THE LAST SIX YEARS (1990-1995):

WATER QUALITY MONITORING SYSTEM:

The first request for permanent monitoring stations was made in the 1994 capital budget. The legislature authorized \$200 thousand for the construction of 10 stations. It was indicated that these would be placed in the Minnesota River Basin.

Bond Counsel has determined that the \$200 thousand authorized for these first 10 stations should not have been tax exempt bonds. Language will be presented by the Department of Finance reducing this previous authorization.

COMBINED SEWER OVERFLOW:

The Red Wing CSO program began in 1994 with a project completed at a cost of \$250 thousand. Another project will begin in 1995 with an estimated cost of \$1.5 million.

In the last 6 years, the CSO program in Minneapolis, St. Paul and South St. Paul has completed approximately \$179 million of sewer separation. The entire 10-year program in the Twin Cities involved the completion of more than 700 individual sewer separation projects at a total cost of about \$282 million.

LANDFILL CLEANUP:

In July 1994, the Landfill Cleanup Act of 1994 took affect. This law charges the state of Minnesota through the PCA, with the responsibility for long term care and provision of response action at all qualifying facilities within the state. In order to qualify for the program, a facility must have ceased accepting mixed municipal solid waste (MSW) before 4-9-94. For facilities which accepted both MSW and demolition waste, the facility had to cease accepting MSW by 4-9-94, and demolition waste by 4-30-95. Qualifying facilities are further required to complete closure activities, turn over all remaining financial assurance funds, and agree not to attempt to recover expenses related to response actions. The state has the ability to accept ownership of these facilities and to acquire properties other than landfills if necessary for public health or safety.

The Act provides for the long term care and response actions required at the facilities, reimbursement of facility owner/operators, the federal government, and responsible parties, who under state or federal superfund, incurred expenses in performance of response actions at these facilities, through 2 funding sources:

1. A solid waste fee of \$0.60 per uncompacted cubic yard of waste for industrial, medical, demolition and commercial wastes, and a \$2.00 per household per year fee on residential waste.
2. General obligation bonds for construction on municipally owned properties (ie., response actions such as cover and ground water/gas treatment system installations at county or state owned facilities).

The fees and bonds are expected to generate approximately \$300 million dollars over the next 10 years, with estimated costs for construction, long term care and program administration of approximately \$270 million dollars over the same period.

9. AGENCY CONTACT PERSON, TITLE, AND PHONE

Elaine Johnson, Division Director, Administration Services Division, 612/296-7224

AGENCY CAPITAL BUDGET BRIEF
Projects Summary
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form B

AGENCY: Pollution Control Agency (PCA)

AGENCY CAPITAL BUDGET REQUEST

Form D-1

Building Project Detail

Fiscal Years 1996-2001

Dollars in Thousands (\$137,500 = \$138)

AGENCY: Pollution Control Agency

PROJECT TITLE: Automated Water Quality Monitoring System

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$200

STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$-0-

STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$-0-

LOCATION (CAMPUS, CITY, COUNTY):

AGENCY PRIORITY (for projects in the 1996 session only):

1 of 2 requests

1. PROJECT DESCRIPTION:

This proposal is for construction of the first 10 permanent monitoring stations of a statewide network to provide continuous water quality data at key river and stream locations throughout the state. Funding for these first 10 stations was appropriated in 1994 capital budget. Bond Counsel has determined that these are not tax exempt bondable projects and that general fund monies must be used.

Monitoring at these stations will provide measurements of both loadings and concentrations for biological oxygen demand, chemical oxygen demand, nutrients, and solids, and will identify patterns over time and under varying flow regimes. This will then allow the identification of types of sources and specific watersheds that are primary pollutant load contributors.

Specific locations for the stations will be determined through a collaborative process with local resource managers, local units of government, and citizens groups and determined as part of the development of each subsequent Basin Monitoring Plan. Based on the findings of the Minnesota River Assessment Project and the recommendations of the Minnesota River Citizens' Advisory Committee, it is proposed that many of the 10 stations be sited in the Minnesota River Basin.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

A clean environment with fishable and swimmable waters and safe drinking water are long-term goals of the agency. A permanent water quality monitoring system will support these goals by:

- Providing water quality data necessary both to identify areas of highest priority for pollution control efforts and to develop the most effective strategies for improving water quality;
- Providing water quality data to measure the effectiveness of resulting environmental programs; and
- Providing water quality data to aid the environmental decision-making of local governments and businesses.

The MPCA is making a fundamental change in its approach to environmental protection by moving towards water quality management on a watershed basis. Instead of being driven by the application of a standard set of legal requirements, it is an approach that focuses on the needs of the individual water resources themselves. This approach first identifies and prioritizes the most critical water quality problems in a basin and then determines the most cost-effective methods of resolving those problems.

Sound water quality information, derived from sound water quality monitoring, is critical to this approach. It is an essential tool in allowing the state to make careful water quality decisions and, in a time of limited financial resources, targeting available dollars where they will do the most good.

To ensure that our water quality monitoring program continues to meet the state's current needs, the Agency's Division of Water Quality has recently undertaken a thorough review of the program as a whole and developed a comprehensive strategy for all monitoring activities. This strategy coordinates the various elements of the overall program to best utilize the available tools and provide the needed water quality information as effectively and efficiently as possible.

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-1

The automated continuous monitoring system is an important piece of this overall strategy. This is particularly true as the emphasis of the water quality program shifts from point source pollution to include both point source and nonpoint source pollution. Automated continuous monitoring will make it possible for the first time to cost-effectively provide pollutant concentrations and loadings for Minnesota rivers over a range of flows and seasons. This will allow the agency to better characterize nonpoint source pollution, the vast majority of which occurs during snow-melt and storm runoff.

The agency will maintain responsibility for characterizing nonpoint source pollution contributions of major watersheds, while local organizations and units of government focus on contributions of local watersheds.

3. IMPACT ON AGENCY OPERATING BUDGET (FACILITIES NOTE):

Additional funding will be necessary for 1) the purchase of computers and flow-measurement equipment and 2) the continuing operational and maintenance costs of personnel, travel, supplies and laboratory analysis. For each set of 10 stations, the cost for the first year will be approximately \$167 thousand and the cost for the subsequent years approximately \$112 thousand per year on a continuing basis (both measured in 1996 dollars).

For every 10 stations, 1.5 additional FTE will be hired. In the first year of operation \$60 thousand will be used to purchase laptop computers and software and flow measurement equipment. The second and subsequent years of operation include higher costs for laboratory analysis, less travel, and no equipment.

4. PREVIOUS PROJECT FUNDING:

Two hundred thousand was appropriated in the 1994 session for the construction of the first 10 automatic monitoring stations, and \$165 thousand was appropriated in the 1995 session for the F.Y. 1997 operational and maintenance costs of those 10 stations.

Bond Counsel in reviewing PCA's request for additional monitoring stations determined that the stations are not bondable projects. The Department of Finance is requesting PCA re-submit the original request and change the

proposed method of financing from tax exempt bonds to General Fund financing. Future requests for additional water monitoring stations will be included in the next biennial budget request.

5. OTHER CONSIDERATIONS (OPTIONAL):

6. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Peggy Adelmann, Administrative Management Director, Water Quality Division, 612/296-8005

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-2

PROJECT TYPE (check all that apply):

- Renewal of existing facilities or assets (no program expansion).
- Adaption of an existing facility for code-required changes, handicapped access or legal liability purposes.
- Adaption of an existing facility for new, expanded or enhanced uses.
- Construction or acquisition of a new facility for new, expanded or enhanced programs or for replacement purposes.

PROJECT CHARACTERISTICS (check all that apply):

- Safety/liability
- Asset preservation
- Code compliance
- Handicapped access (ADA)
- Hazardous materials
- Enhancement of existing programs/services
- Expansion of existing programs/services
- New programs/services
- Co-location of facilities
- Operating cost reductions and efficiencies
- Other (specify):

INFORMATION TECHNOLOGY AND TELECOMMUTING:

Information technology plan:

submitted to IPO	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> N/A
approved by IPO	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> N/A

Telecommuting plan or statement of non-practicability:

submitted to IPO	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> N/A
approved by IPO	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> N/A

AGENCY BUILDING NAME AND #:

STATE-WIDE BUILDING ID #:

FACILITY SQUARE FOOTAGE:

Existing Building

N/A Gross Sq. Ft.

Project Scope

<input type="checkbox"/> N/A	Gross Sq. Ft. Demolished
<input type="checkbox"/> N/A	Gross Sq. Ft. Decommissioned
<input type="checkbox"/> N/A	Gross Sq. Ft. Renewal or Adaption
<input type="checkbox"/> N/A	Gross Sq. Ft. New Construction

Final Project Size

N/A Gross Sq. Ft.

Are there any space utilization standards that apply to your agency and this project?

Yes No.

If so, please cite appropriate sources:

CHANGES IN STATE OPERATING COSTS (Facilities Note):

	F.Y. 1996-97	F.Y. 1998-99	F.Y. 2000-01
Change in Compensation	\$ <input type="text"/> -0-	\$ <input type="text"/> -0-	\$ <input type="text"/> -0-
Change in Bldg. Oper. Expenses . . .	\$ <input type="text"/> -0-	\$ <input type="text"/> -0-	\$ <input type="text"/> -0-
Change in Lease Expenses	\$ <input type="text"/> -0-	\$ <input type="text"/> -0-	\$ <input type="text"/> -0-
Change in Other Expenses	\$ <input type="text"/> -0-	\$ <input type="text"/> -0-	\$ <input type="text"/> -0-
Total Change in Operating Costs . . .	\$ <input type="text"/> -0-	\$ <input type="text"/> -0-	\$ <input type="text"/> -0-

Other:

Change in F.T.E. Personnel	0	0	0
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AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-3

TOTAL PROJECT COSTS (ALL YEARS/ALL FUNDING SOURCES):	Project Costs (all prior years)	Project Costs (F.Y. 1996-97)	Project Costs (F.Y. 1998-99)	Project Costs (F.Y. 2000 and beyond)
1. Site and building preparation				
Site acquisition	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-
Existing building acquisition	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-
Other acquisitions costs:				
Environmental studies	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-
Geotechnical survey	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-
Property survey	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-
Historic Preservation	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-
Other (specify) _____	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-
	1. Subtotal	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-
2. Predesign fees	2. Subtotal	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-
3. Design fees				
Schematic design	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-
Design development	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-
Contract documents	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-
Construction	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-
	3. Subtotal	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-
4. Administrative costs and professional fees				
Project management by consultant	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-
Construction management	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-
Construction contingency	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-
Other (specify) _____	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-
	4. Subtotal	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-
5. Site and building construction				
On site construction	\$ <u> </u> -0-	\$ <u> </u> 40	\$ <u> </u> -0-	\$ <u> </u> -0-
Off site construction	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-
Hazardous material abatement	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-
Other (specify) _____	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-
	5. Subtotal	\$ <u> </u> -0-	\$ <u> </u> 40	\$ <u> </u> -0-
6. Furniture, Fixtures and Equipment	6. Subtotal	\$ <u> </u> 160	\$ <u> </u> -0-	\$ <u> </u> -0-
7. Occupancy	7. Subtotal	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-
8. Percent for art	8. Subtotal	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-
		Total without inflation (1 through 8)	\$ <u> </u> 200	\$ <u> </u> -0-
Footnote: Bond Counsel has determined that the water monitoring stations should not have been bonded funds. Prior year projects will be canceled.				
9. Inflation multiplier _____	9. Subtotal	\$ <u> </u> N/A	\$ <u> </u> -0-	\$ <u> </u> -0-
Mid-point of construction (mo./yr.) <u>8/96</u>		Total with inflation (1 through 9)	\$ <u> </u> 200	\$ <u> </u> -0-

TOTAL PROJECT COSTS (all capital costs, all years)

\$ 200

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-4

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ 200
State funding received	\$ 200
Federal funding received	\$ -0-
Local government funding received	\$ -0-
Private funding received	\$ -0-

For 1996 Session (F.Y. 1996-97)

State funding requested	\$ 200
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-

For 1998 Session (F.Y. 1998-99)

State Funding Estimate	\$ -0-
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-

For 2000 Session (F.Y. 2000-01)

State Funding Estimate	\$ -0-
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-

Total Project Costs (all years)	\$ 200
State funding requested (all years)	\$ 200
Federal funding (all years)	\$ -0-
Local government funding (all years)	\$ -0-
Private funding (all years)	\$ -0-

Footnote: Bond Counsel has determined that the water monitoring stations should not have been bonded funds. Prior year project costs will be canceled.

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ 200 Fund General
 Bonds: \$ _____ Tax Exempt _____ Taxable _____

STATE DEBT SERVICE PAYMENTS (Check all that apply):

<input type="checkbox"/> General Fund	% of total _____
<input type="checkbox"/> User Financing	% of total _____
Source of funds _____	

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-5

DEPARTMENT OF ADMINISTRATION ANALYSIS:

Projects of a non-building nature have been determined to not require predesign. The Automated Water Quality Monitoring System project covered by this request is not expected to present a predesign submittal but would require legislative review in accordance with M.S. 16B.335.

This request has been reviewed with an emphasis on cost planning, general scope of work, and schedule. This request is in general conformance with the capital budget requirements.

DEPARTMENT OF FINANCE ANALYSIS:

The strategic linkage of this request to state environmental goals is clear because baseline data collection and continuous monitoring are necessary for determining water quality in each major basin, setting priorities, allocating scarce resources, and measuring program effectiveness. Maximum points were also given for statewide significance and agency priority. Thirty-five points were given for safety concerns as these stations will monitor the water quality of rivers and streams.

GOVERNOR'S RECOMMENDATION:

The Governor recommends a General Fund appropriation of \$200 thousand for this project. This amount will replace a \$200 thousand appropriation from general obligation bonds in the 1994 legislative session in Laws of 1994, Ch.643, Sec.24, Subd.3. It is recommended that the 1994 appropriation be repealed.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	120
Safety Concerns	0/35/70/105	35
Customer Services/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	0
Asset Management	0/20/40/60	0
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	0
Total		360

	Schematic	Design	Design	Const.
	Predesign	Devel.	Doc.	Const.
Prior Funding:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Agency Request:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Governor's Recommendation:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

AGENCY CAPITAL BUDGET REQUEST

Non-Building Program Detail

Fiscal Years 1996-2001

Dollars in Thousands (\$137,500 = \$138)

AGENCY: Pollution Control**PROJECT TITLE:** Red Wing Combined Sewer Overflow**STATE APPROPRIATION REQUEST FOR 1996 SESSION:** \$3,349**STATE APPROPRIATION ESTIMATE FOR 1998 SESSION:** \$-0-**STATE APPROPRIATION ESTIMATE FOR 2000 SESSION:** \$-0-**LOCATION (CAMPUS, CITY, COUNTY):** Red Wing, Goodhue**AGENCY PRIORITY (for projects in the 1996 session only):**# 2 of 2 requests**1. PROJECT DESCRIPTION:**

Under M.S., Sec. 116.162, the state Financial Assistance Program for Combined Sewer Overflow was created. The purpose of this program is to financially assist eligible recipients to abate combined sewer overflow into the Mississippi River from its confluence with the Rum River to the easternmost boundary of the city of Red Wing. A municipality is eligible to receive financial assistance under the program if the city has a permit, stipulation agreement, consent decree, or order issued by the agency requiring construction to abate combined sewer overflow and if the city adopts an approved plan to abate combined sewer overflow.

The MPCA issued a National Pollutant Discharge Elimination System permit to the city of Red Wing on 4-21-93. The permit contains a compliance schedule, which requires the complete separation of the city's combined sewers.

Combined sewer systems are those that carry sanitary sewage and storm water runoff in the same pipe. The combined sewer system does not have the capacity to carry all of the flow during the periods of heavy rainfall or rapid snow melt. The result is that the mixture of sanitary sewage and storm water overflow from the system and is discharged into a nearby water body. In Minnesota there are currently only 4 cities that have combined

sewers in the system, Red Wing, Minneapolis, St. Paul and South St. Paul. The overflow from these combined sewers discharges directly into the Mississippi River. The Mississippi River and its associated environmental community are adversely impacted and public health is potentially threatened.

The Red Wing program will consist of the construction to provide separate storm sewers and sanitary sewers in the affected areas. This may include the construction of new storm sewers and using the existing system for sanitary sewer or the construction of a new sanitary sewer and using the existing system for storm sewer. Construction may also require the construction of separate new storm sewer and new sanitary sewers in some areas.

The original CSO program was developed through a broad-based effort involving the 3 metropolitan cities, Metropolitan Council, the Minnesota Pollution Control Agency (MPCA), the state of Wisconsin, and the U.S. Environmental Protection Agency. The state of Minnesota has placed those cities, plus Red Wing, under enforceable permits in order to ensure meeting their schedule.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

A clean environment with clean, clear odorless air; fishable, swimmable water; usable ground water; and uncontaminated soil has been the MPCA's goal for the past 25 years. One outcome of this goal was the establishment of the CSO program in 1985.

In 1985, the CSO program was established by the legislature to provide assistance to the cities of Minneapolis, St. Paul and South St. Paul for the purpose of separating their combined sewers. With the completion of the project the discharge of untreated waste water into the Mississippi River, during periods of heavy rainfall will be eliminated.

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

3. PREVIOUS PROJECT FUNDING:

The table below shows the total anticipated funding required to complete the entire project.

Previous Appropriations (in \$000)	Local	State	Total
1994 Session	125	125	250
1995 Session	750	750	1,500
This request 1996 Session	3,349	3,349	6,698
Grand Total	4,224	4,224	8,448

In the Laws of Minnesota for 1993, Chap. 371 the legislature directed the MPCA to study the feasibility and cost of including the city of Red Wing in the combined sewer overflow program under M.S., Sec. 116.162. The report examined different funding options and the impact that the program would have on residential user rates. The cost analysis determined that with the state funding half of the total estimated program costs the average monthly residential user charge would be from \$16.58 to \$17.08, depending on the terms of financing the city receives. For comparison, the average user rate in 1993 in the 3 other cities that have received CSO funding are: Minneapolis - \$15.61; St. Paul - \$15.60; South St. Paul - \$16.31. The average user charge in 16 "outstate" communities with populations between 10,000 and 25,000 based on the 1990 census (Red Wing population was 14,467 in 1990) was within a range of \$8.42 to \$20.40, and averaged \$13.60.

The \$3.349 million requested for F.Y. 1996 includes the state's basic commitment for the remainder of the CSO program. The program includes 3 different projects, which will be completed sooner than required as a result of the funding assistance.

4. OTHER CONSIDERATIONS (OPTIONAL):

Consequences: The requirements and dates for the completion of separation are outlined in the city's federal NPDES permit. Failure to comply will subject the city to enforcement action by the U.S. Environmental Protection Agency, the state of Minnesota and any citizens under provisions of the Clean Water Act. If no funds are appropriated for the CSO program by the state, the city would be required to bear the financial burden of meeting the 13 year separation deadline.

The previously mentioned study, finished in January 1994, provided an analysis of the estimated monthly user charge if Red Wing financed 100% of the project cost through the State Revolving Fund (SRF). This option is estimated to increase rates to between \$19.33 to \$20.42 per month.

5. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Peggy Adelmann, Administrative Management Director, Water Quality Division, 612/296-8005

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-2

TYPE OF REQUEST (Check all that apply):

Acquisition of State Assets
 Development of State Assets
 Maintenance of State Assets
 Grants to Local Governments
 Loans to Local Governments
 Other Grants (specify):

PROJECT CHARACTERISTICS (Check all that apply):

Health and Safety
 Enhancement of Existing Programs/Services
 Expansion of Existing Program/Services
 Provision of New Program/Services
 Other (specify):

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ _____ Fund _____
 Bonds: \$ 3,349 Tax Exempt X Taxable _____

STATE DEBT SERVICE PAYMENTS (Check all that apply):

General Fund % of total 100
 User Financing % of total _____

Source of funds _____

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ <u>1,750</u>
State funding received	\$ <u>875</u>
Federal funding received	\$ <u>-0-</u>
Local government funding received	\$ <u>875</u>
Private funding received	\$ <u>-0-</u>
For 1996 Session (F.Y. 1996-97)	
State funding requested	\$ <u>3,349</u>
Federal funding	\$ <u>-0-</u>
Local government funding	\$ <u>3,349</u>
Private funding	\$ <u>-0-</u>
For 1998 Session (F.Y. 1998-99)	
State funding estimate	\$ <u>-0-</u>
Federal funding	\$ <u>-0-</u>
Local government funding	\$ <u>-0-</u>
Private funding	\$ <u>-0-</u>
For 2000 Session (F.Y. 2000-01)	
State funding estimate	\$ <u>-0-</u>
Federal funding	\$ <u>-0-</u>
Local government funding	\$ <u>-0-</u>
Private funding	\$ <u>-0-</u>
Total Project Costs (all years)	
State funding requested(all years)	\$ <u>4,224</u>
Federal funding (all years)	\$ <u>-0-</u>
Local government funding (all years)	\$ <u>4,224</u>
Private funding (all years)	\$ <u>-0-</u>

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-3

DEPARTMENT OF FINANCE ANALYSIS:

Two previous bond fund appropriations precede this third and final request for the Red Wing Combined Sewer Overflow project. \$125 thousand was appropriated in the 1994 Legislative Session and an additional \$750 thousand was appropriated in 1995. This project is directly linked to making Minnesota's waters fishable and swimmable by eliminating the mixture of sanitary and storm sewage which overflows into a nearby body of water causing environmental and public health problems. The Department of Finance generally encourages local units of government to share project costs through at least a 50% local funding match of the biennial request. An alternative funding source for consideration of this request is DTED's State Revolving Fund low-interest loans for wastewater infrastructure.

GOVERNOR'S RECOMMENDATION:

The Governor recommends general obligation bonding of \$3.349 million for this project.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	120
Safety Concerns	0/35/70/105	70
Customer Services/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	75
User and Non-State Financing	0-100	50
Asset Management	0/20/40/60	0
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	50
Total		400

STATE OF MINNESOTA**FY 1996 - 2001****Capital Budget Requests****Governor's Recommendations****(By Agency & Scores)****(in \$000)**

Project Description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				FY 96	FY 98	FY 00		FY 96	FY 98

Trade and Economic Development

Water Pollution Control Revolving Fund	01	541	GO/UF/FF	7,900	12,200	0	4,000	4,000	0
Drinking Water Revolving Fund	02	464	GO/UF/FF	7,350	6,000	6,000	2,000	2,000	2,000
Wastewater Infrastructure Fund Grants	03	345	GO	17,000	20,000	20,000	2,000	2,000	2,000
Agency Totals				\$32,250	\$38,200	\$26,000	\$8,000	\$8,000	\$4,000

Funding Source

GO = General Obligation Bonds

GF = General Fund Direct Appropriation

THF = Trunk Highway Fund

UF = User Financing

FF = Federal Funding

LF = Local Funding

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AGENCY CAPITAL BUDGET BRIEF
Strategic Planning Summary
Fiscal Years 1996-2001

Form A

1. **AGENCY:** Trade and Economic Development, Department of (DTED)

delegations, targeted market research and selected reverse investment strategies to identify and expand markets for Minnesota products.

2. **AGENCY MISSION STATEMENT:**

To employ all of the available state government resources to facilitate an economic environment that produces net new job growth in excess of the national average and to increase nonresident tourism revenues (M.S. 116J.011).

Primary clients of the department are businesses and communities.

The department consists of the following divisions:

Business and Community Development Division: The Business and Community Development Division provides comprehensive planning, technical and financial assistance to communities and businesses. Technical assistance and analysis is provided directly to businesses and communities to promote economic development, growth and healthy, self-sustaining communities through marketing, publications and information services, training assistance and partnership activities. Financial assistance is provided by the division using the following programs: the Public Facilities Authority; the Rural Development Board and Urban Development Board (Challenge Grants Program); the Agriculture and Economic Development Board; and the Federal Small Cities Block Grant program.

Office of Tourism: The Office of Tourism markets Minnesota's products and services that relate to travel, provides joint venture marketing partnerships with local and regional organizations and delivers tourism information through a statewide network of travel information centers and telecommunication systems. Clients are travel related organizations, tourism businesses and tourists.

Minnesota Trade Office: The Minnesota Trade Office assists small and medium sized businesses and those new to exporting through general export and market specific education programs, a network of public/private counseling, export financing, trade shows, foreign trade

The department also has an administrative services unit that provides financial and management support to department operating divisions through policy development, management assistance, fiscal services, personnel and the department's communications office. This unit includes the commissioner's office.

The department began soliciting ideas from the public and private sector for appropriate economic goals for the state. This process has become known as the "Economic Blueprint" and establishes the following 7 goals for Minnesota's economy through the year 2000:

- Above average sustained economic growth consistent with environmental protection.
- Internationally competitive levels of productivity growth.
- Personal incomes adequate to provide a quality standard of living.
- Capital investment in the state sufficient to ensure economic renewal and competitiveness.
- A business environment that stimulates new business creation and innovation.
- Improved employment and economic opportunities for all citizens in all Regions.
- A diversified industry mix to insulate the state economy from surprises, shocks and national business cycles.

With shrinking revenues available for increasing demands on government services, the only option is to look to expanding the state's economic base. Minnesota currently ranks 44th in the nation for new business startups, and the department will focus on helping the state's home-based industries to expand and grow. Minnesota's economic development programs are based on the philosophy of empowering local units of government to develop their own economic base. This concept must evolve to a regional level, realizing that every community is interdependent on the economic vitality of other communities in its region. Critical to a community's development is adequate water and wastewater service.

AGENCY CAPITAL BUDGET BRIEF
Strategic Planning Summary (Cont'd.)
Fiscal Years 1996-2001

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The Public Facilities Authority (PFA) plays a critical role in improving the state's infrastructure and economic health by financing water resource management projects. The PFA is governed by a board composed of state agency/department commissioners, representing Finance, DTED, Minnesota Pollution Control Agency (MPCA), Health and Agriculture.

In conjunction with the MPCA, the PFA manages the state's very successful Water Pollution Control Revolving Fund (or Wastewater SRF) and pooled bond program (M.S. 446A). The PFA has leveraged federal capitalization grant money to create a revolving fund adequate to finance all municipalities applying to the Program. This fund provides municipalities with low interest loans to finance wastewater infrastructure construction and improvement projects. The Wastewater SRF Program allows municipalities to plan and build wastewater treatment facilities to meet community development needs.

In addition to the Wastewater SRF, the PFA administers the Wastewater Infrastructure Funding Program (WIF), designed to assist communities with grant funding that are unable to afford loans under the Wastewater SRF. The WIF program generated several discussions during the 1995 Legislature due to the fact that the PFA has not yet awarded a grant under the program. The PFA had been very successful leveraging other grant funding for projects in excess of \$26 million in 29 different communities to respond to community needs. The legislature passed a bill requiring the PFA to report by 11-1-95 to the Legislative Water Commission on recommendations for statutory changes to WIF and report on capital expenditures expected during F.Ys. 1997 and 1998. The bill also mandates the PFA to lower its eligibility for WIF consideration from 1.5% of median household income used for O,M,R and debt service on an annual basis to 1.1%.

Due to the success of the Water Pollution Control Revolving Fund, the Public Facilities Authority (PFA) is exploring additional efforts to fund other infrastructure needs such as public drinking water.

In its reauthorization of the Safe Drinking Water Act (SDWA), Congress has been expected to establish a state revolving fund program for public drinking water projects and provide capitalization funding.

The 1994 legislature established the Drinking Water Revolving Fund (DWRF) as the state program to administer the federal drinking water state revolving fund and to finance public drinking water treatment and supply needs. The DWRF program would be jointly administered by the PFA and the Minnesota Department of Health (MDH) in a manner similar to the current joint administration by the PFA and the MPCA of the Water Pollution Control Revolving Fund program. The MDH commissioner is a member of the PFA Board. PFA and MDH staff have been developing program procedures and writing rules for the program.

As in the case with the Water Pollution Control Revolving Fund, the state would be able to leverage federal program dollars with state dollars at a ratio of \$1 state to \$5 federal. Congress has not taken any action on the SDWA reauthorization. If Congress does not reauthorize the SDWA, the state matching funds requested will be targeted to small communities with populations under 3,300 (EPA definition of small systems) and the funds will be leveraged 2-3 times with revenue bond proceeds. Legislation will be needed to establish this program.

The Department of Trade and Economic Development will continue to coordinate project financing with other programs within the department, state and federal agencies. Internally, the department uses the single application process to respond to community infrastructure needs and has assigned staff in regional teams to work with clients to package project financing. Externally, the department will continue to work with agencies represented on the PFA Board and others that have interest in specific types of projects or have capital that can be leveraged to assist in financing projects.

3. TRENDS, POLICIES AND OTHER ISSUES AFFECTING THE DEMAND FOR SERVICES, FACILITIES OR CAPITAL PROGRAMS:

The Clean Water Act Reauthorization should extend the SRF program through F.F.Y. 2000. States are again required to provide \$1 state match for every \$5 of Federal Funding. Funding level projected by the State, assuming Congressional appropriations are in line with the Proposed Clean Water Act and Budget Resolution passed by the House in May, will be \$30.5 million requiring a \$6.1 million annual state match.

AGENCY CAPITAL BUDGET BRIEF
Strategic Planning Summary (Cont'd.)
Fiscal Years 1996-2001

Form A

The need for state assistance in helping municipalities finance wastewater projects has continued to grow under the SRF Program. The state has been able to keep up with the demand for low interest loans through the SRF to finance the projects up to this year. The Intended Use Plan prepared by MPCA for the fiscal year 1995 has shown a sharp increase in high cost projects in need of grant assistance.

There remains 191 unsewered communities, which when combined with rural residents, means that 27% of the housing units in Minnesota are not connected to a central sewer system. Unsewered communities can not afford to construct collection and treatment systems without grant subsidy.

According the preliminary results of the 1995 Annual Evaluation and Planning Survey conducted by MPCA with 93.8% of the surveys returned (512 out of 546 surveys) the preliminary results show a tremendous pent-up demand for financing construction of wastewater projects with potential for \$615.5 million worth of improvements over the next 5 years. This new information exceeds previous projects by nearly ten fold.

<u>Type of Construction</u>	<u>No. of Facilities</u>	<u>Dollar (\$ 000s)</u>
New or Expansion Needs	118	\$212,862
Upgrade or Rehabilitation	99	185,248
Sewer Extensions	72	36,951
Infiltration and Inflow	69	32,050
Other Improvements	44	148,389

Another telltale sign of the infrastructure problem is the age of the systems in the state. The design life of wastewater systems average about 25 years. The table below reflects the good progress made in the 1980s and so far in the 1990s, but much needs to be done with the systems that are on the edge and falling behind.

<u>Decade of Latest Upgrade at the Facility</u>	<u>Number of Facilities</u>
1930	3
1940	4
1950	19
1960	94
1970	133
1980	232
1990	103

In the 1994 survey, one third of the non-metro systems reporting indicated that bypasses and overflows occurred in their collecting systems between 1991 and 1993. While 1993 was a flood year (1991 and 1992 were not), it gives a good indication of the problems occurring during periods of heavy flow and the need to address the inflow and infiltration problems systems have throughout the state.

The Wastewater SRF has substantial financial capacity to continue its average loan volume over the past 5 years going into the future, it can not address the demand recently demonstrated from the current AEPS survey which reflects \$615.5 million of demand. That level of activity will require much more than the SRF can be expected to handle.

Even if the SRF was financially capable of lending that amount of funds to municipalities, the issue of affordability is still real and a serious local problem in many small communities. Although existing grant programs have been successful in addressing the very high cost projects in low income communities, there remains a very serious problem in moderate income communities that do not qualify for existing grant programs and low income areas that have such high cost the existing granting agencies are not willing to finance.

The PFA is required to report to the Legislative Water Commission recommending modifications of the WIF program. The report will address problems faced by unsewered communities and moderate income communities with high cost sewer projects unable to obtain other grant funding and make recommendations on how to further improve cooperation and coordination of existing programs to address the tremendous cost

AGENCY CAPITAL BUDGET BRIEF
Strategic Planning Summary (Cont'd.)
Fiscal Years 1996-2001

Form A

of projects forth coming over the next 5 years. The report is due 11-1-95 and is being prepared by the PFA staff with assistance from the MPCA and several organizations that have expressed interest in the WIF program.

The work done to prepare for the Drinking Water Revolving Fund program has highlighted a number of critical needs. The need to provide financial assistance for small community public drinking water systems has been identified by the PFA and the MDH. Most small community supplies do not have the resources to comprehensively survey and assess their drinking water needs. Information has been obtained from a number of sources including the Small Cities Development Program, the Rural Economic and Community Development Program, the Minnesota Association of Small Cities and the MDH staff.

Unfortunately, no comprehensive survey of small supply needs exists. The USEPA and the MDH have been cooperating on an assessment of needs for all community public drinking water supplies. Six small Minnesota community supplies were visited and their needs were assessed by USEPA personnel. These results will be used to establish small supply needs statewide. Unfortunately, no small community supply needs will be available until January of 1996.

More than 75% of Minnesotans get their primary source of drinking water from a public drinking water supply. There are 965 community public drinking water supplies (municipalities, apartments and mobile home parks) in Minnesota. Eighty five percent of these supplies serve populations of 3,300 or less. (The USEPA defines systems serving 3,300 or less people as "small public drinking water systems.") These small supplies face enormous costs just to enable them to maintain compliance with federal drinking water standards.

Threats to drinking water can come from contamination such as bacteria, viruses or nitrates from animal or human activities or naturally occurring materials such as radon or arsenic. The federal SDWA regulates over 80 different possible contaminants. Currently, 4 types of contaminants and their regulation are of primary importance to small public drinking water supplies.

Microbiological contaminants: Microbiological contamination by water-borne pathogens (bacteria and viruses) of a public drinking water source can cause a variety of illnesses including acute gastrointestinal illness, Legionnaire's disease, cholera, hepatitis and amoebic dysentery. Coliform bacteria is used as an indicator of the possible existence of organisms that could cause diseases. In order to comply with the SDWA, periodic water samples taken from public drinking water supplies must show the absence of coliform bacteria. Some public water supplies must filter and chlorinate their sources of water in order to provide protection from microbiological contamination.

During the past year, there were 23 coliform bacteria contamination events in small community public drinking water supplies.

A recent area of concern after the major outbreak of acute gastrointestinal illness in Milwaukee is cryptosporidium. Nationwide, it is estimated that approximately 155 million people are potentially at risk from cryptosporidiosis. The potential effect of this contaminant on Minnesota residents is being studied.

Nitrates and nitrites: Major sources of nitrates or nitrites are fertilizers, sewage from failing septic systems and animal feedlots. The most serious problem associated with high levels of these chemicals is methemoglobinemia or "blue baby" syndrome. Systems with high nitrate or nitrite levels may need to install an ion exchange system or a reverse osmosis system.

Eight public drinking water supplies exceeded the SDWA established level for nitrates or nitrites during the past year.

Lead: Lead enters drinking water primarily as a result of a combination of corrosive water and household plumbing materials containing lead. Ingestion of high levels of lead over time may cause damage to the brain, nervous system, red blood cells and kidneys. In children it has been associated with impaired mental development and hearing problems. The USEPA has established an "action level" for lead. Public drinking water supplies that exceed the action level must provide public education and follow a series of steps to find a solution to their lead problem. Addition of chemicals to prevent corrosion or the replacement of lead pipes may

AGENCY CAPITAL BUDGET BRIEF
Strategic Planning Summary (Cont'd.)
Fiscal Years 1996-2001

Form A

need to be done by public water supplies experiencing high lead levels.

Data from the past monitoring period indicate that 49 small community supplies have exceeded the action level for lead.

Industrial chemicals and pesticides: These contaminants may cause gastrointestinal upset, cancer and chronic nervous system disorders. More information is needed about the nature and extent of contamination from industrial chemicals and pesticides and the MDH is currently continuing the extensive monitoring for these contaminants in public drinking water started in 1993. Granular activated carbon or packed tower aeration systems may be needed to treat high levels of these contaminants.

During 1995, the MDH identified in excess of \$25 million in small community public drinking water projects that could not proceed without some type of financial assistance. Many public drinking water supplies in Minnesota are 50-100 years old. These older systems are experiencing more difficulty in meeting existing drinking water standards. Aging systems should be upgraded or replaced. Deteriorating storage tanks and ruptured water mains can become entry points for contaminants. Treatment for contaminants such as viruses, giardia and nitrates must be added to many systems. Some systems need to expand their water storage and treatment capacity to meet the demands of residential and commercial growth. These needs do not include any new requirements that may be imposed in the reauthorized SDWA.

New federal requirements will place a tremendous burden on small public drinking water supplies. The EPA is in the process of setting standards for a number of contaminants, including arsenic, sulfates and radon. Depending on the level at which EPA drinking water standards are set, approximately 391 small systems will need to upgrade. Further analysis indicates approximately 120 small systems will have to upgrade for elevated arsenic levels, 65 small systems for sulfates and 206 small systems for radon. The vast majority of affected systems are very small projects and lack the financial resources to provide the necessary remediation. Remedial activities would vary from construction of new wells to contraction of full-scale water treatment plants. The EPA has estimated the costs of upgrading those small systems to be from \$100 to

\$200 million over the next 5 to 7 years. In addition, Congress may impose additional requirements during the reauthorization of the SWDA.

4. **PROVIDE A SELF-ASSESSMENT OF THE CONDITION, SUITABILITY AND FUNCTIONALITY OF PRESENT FACILITIES, CAPITAL PROJECTS OR ASSETS:**

Wastewater: The PFA's Wastewater SRF has considerable financial strength to finance wastewater projects that can afford loans and continue to utilize future federal capitalization grant funds to address the many nonpoint source pollution control activities that the state cannot issue General Obligation Bonds for. The "AAA" rating from Standard and Poors Rating Group of the PFA's Wastewater SRF reflects its financial strength as well as the financial management of the program by DTED. The ability to maintain a high bond rating and financial capacity will continue to minimize the cost of borrowing by communities for these expensive but critical facilities.

There are several critical issues facing municipal wastewater financing that the state can address. The first issue is that of small unsewered communities, especially those that have income levels that exceed levels necessary to obtain federal grant funding through the small cities development program or the Rural Economic and Community Development Service's loan and grant program. Because these communities can not afford a 100% loan through the SRF, the WIF program needs to be modified to address these communities.

Another significant issue is the elimination of inflow and infiltration problems facing over a third of the systems in the state. This is a public and private problem. The SRF can address publicly owned improvements, but the key problem area for the SRF is that it can not finance non-municipality owned components of a wastewater system because the problems are caused by sump pumps, foundation drains and roof drains directly connected to the sanitary sewer system. These are also problem areas for the state, since general obligation bonds cannot be sold for improvement to private property to eliminate this problem.

Drinking Water: Preliminary information from the ISOPA/MDH Public Drinking Water Needs Assessment of 42 mid-size communities show the following needs:

AGENCY CAPITAL BUDGET BRIEF
Strategic Planning Summary (Cont'd.)
Fiscal Years 1996-2001

Form A

<u>Type of Need</u>	<u>Estimated Cost</u> (\$ 000s)
Wells and pumps	\$14,300
Distribution	141,400
Treatment	53,700
Storage	30,200
Lead and Copper	<u>4,700</u>
	\$244,300

In response to requests for data on small (under 3,300 population) public drinking water system needs, the MDH identified the projects that would be ready to proceed if funding were available:

<u>Type</u>	<u>Number</u>	<u>Cost (\$ 000s)</u>
Treatment plant (upgrade and new)	9	\$ 21,900
Distribution system	170	137,700
Water source needs	24	10,300
Water storage	<u>12</u>	<u>13,200</u>
Total	215	\$183,100

5. DESCRIBE THE AGENCY'S LONG-RANGE STRATEGIC GOALS AND CAPITAL BUDGET PLAN:

- Agency long-range strategic operating plans and capital budget goals (F.Y. 1996 - 2001)

The Water Pollution Control Revolving Fund (SRF) has proven to be effective and efficient. The SRF can serve as a model for using state and federal funds to finance construction of needed infrastructure vital to the state's economy. The PFA remains committed to modifying its programs when needed to address infrastructure needs in the state. Modifications to the Wastewater Infrastructure Funding Program to address critical needs and affordability will remain an ongoing capital budget issue. As programs change at the federal level to assist communities to maintain and upgrade infrastructure, the department will be ready to implement them in an efficient, accessible, and coordinated fashion through pooled bond issues.

Additional staff will be needed to implement the Drinking Water Revolving Fund program only after Congress and the legislature approve final funding. DTED and MDH are committed to implementing a state only small system program with existing staff. The total cost of administering the program will be transferred to the state when federal funds expire. The department remains dedicated to maintaining its high level of customer satisfaction.

6. AGENCY PROCESS USED TO ARRIVE AT THESE CAPITAL REQUESTS:

- Discussions with staff from MDH and the MPCA, client groups and surveys.

The PFA's capital budget request is based on the grant amounts projected to be received from the federal government and projected WIF grant needs projected by MPCA and DTED. The request for state matching requirements addresses the proposed funding levels approved in the federal 1994 and 1995 budget. The actual requests will be modified based on congressional actions on the Safe Drinking Water Act this session.

7. AGENCY CAPITAL BUDGET PROJECTS DURING THE LAST SIX YEARS (1990-1995):

- Significant capital projects or programs completed or underway

The Authority made its first wastewater SRF loan in July 1989 and has been successful in demonstrating that the state can minimize the amount of grant funds needed and still continue an aggressive level of wastewater construction activity with average expenditures of more than \$60 million per year.

The following table shows the number of projects, loans and amounts made by leveraging the state match funds through 5-30-95.

AGENCY CAPITAL BUDGET BRIEF
Strategic Planning Summary (Cont'd.)
Fiscal Years 1996-2001

Form A

<u>FFY</u>	<u>State Match Contribution (in \$000)</u>	<u>Total Amount of Loans Leveraged by State Match (in \$000)</u>	<u>Number of Loans/Projects</u>	<u>Peggy Adelmann</u>
1990	4,130	73,842	10/14	Administrative Management Director
1991	7,544	70,050	11/15	Minnesota Pollution Control Agency
1992	8,055	61,808	12/16	520 Lafayette Road
1993	7,075	41,215	16/22	St. Paul, Minnesota 55155
1994	4,384	59,538	14/31	296-8005
1995	2,962	88,195	32/50	

(1) Using all funds, revenue bond proceeds, state match, and direct loans from EPA Cap. Grant.

8. OTHER (OPTIONAL):

9. AGENCY CONTACT PERSON, TITLE, AND PHONE

Terry Kuhlman
Executive Director
Minnesota Public Facilities Authority/DTED
500 Metro Square
121 7th Place East
St. Paul, Minnesota 55101-2146
296-4704

Linda Prail
Project Supervisor
Minnesota Department of Health
Suite 220
121 7th Place East
St. Paul, Minnesota 55101
215-0762

AGENCY CAPITAL BUDGET BRIEF
Projects Summary
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form B

AGENCY: Trade and Economic Development, Department of (DTED)
Public Facilities Authority (PFA)

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

AGENCY: Trade and Economic Development, Department of (DTED)
Public Facilities Authority (PFA)

PROJECT TITLE: Water Pollution Control Revolving Fund

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$7,900

STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$12,200

STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$0-

LOCATION (CAMPUS, CITY, COUNTY):

AGENCY PRIORITY (for projects in the 1996 session only):

1 of 3 requests

1. PROJECT DESCRIPTION:

The state is required to match the EPA Capitalization Grant \$1 for every \$5 federal. Currently the federal funds are to be used to fund nonpoint source pollution initiatives through Agriculture, Minnesota Pollution Control Agency, (MPCA), and DTED as well as building on the financial capacity of the SRF to finance wastewater projects. The state match will be used for municipal wastewater projects.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

Wastewater capacity provide the infrastructure foundation necessary for the state to provide for an environment conducive to growth and expansion opportunities across the state. The Economic Blue Print goal of "above average sustained economic growth consistent with environmental protection" recognizes the fact that environmental infrastructure must be built to address the expansion needs throughout the state while preserving environmental quality. The natural resource of clean water throughout the state is a critical economic factor in the tourism trade and quality of life.

3. PREVIOUS PROJECT FUNDING:

The Water Pollution Control Revolving fund has received state matching funds since F.Y. 1989. At present there is a balance of \$4.3 million in the state match account for F.Y. 1997 and 1998 and the PFA will need a total of \$12.2 million leaving short fall of \$7.9 million.

4. OTHER CONSIDERATIONS (OPTIONAL):

Low-cost financing under the PFA is an important element in helping communities contain costs associated with wastewater service. The low-cost financing is a critical component of the state ability to remain economically competitive.

Without state matching funds the federal funds are distributed to other states. Under the proposed Clean Water Act passed by the House of Representatives in May the program will be funded through F.Y. 2000.

5. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Terry Kuhlman
Executive Director
Minnesota Public Facilities Authority/DTED
500 Metro Square
121 7th Place East
St. Paul, Minnesota 55101-2146
296-4704

Linda Prail
Project Supervisor
Minnesota Department of Health
Suite 220
121 7th Place East
St. Paul, Minnesota 55101
215-0762

Peggy Adelmann
Administrative Management Director
Minnesota Pollution Control Agency
520 Lafayette Road
St. Paul, Minnesota 55155
296-8005

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-2

TYPE OF REQUEST (Check all that apply):

- Acquisition of State Assets
- Development of State Assets
- Maintenance of State Assets
- Grants to Local Governments
- Loans to Local Governments
- Other Grants (specify): _____

PROJECT CHARACTERISTICS (Check all that apply):

- Health and Safety
- Enhancement of Existing Programs/Services
- Expansion of Existing Program/Services
- Provision of New Program/Services
- Other (specify): _____

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

- Cash: \$ _____ Fund _____
- Bonds: \$ 7,900 Tax Exempt Taxable _____

STATE DEBT SERVICE PAYMENTS (Check all that apply):

- General Fund % of total 100
- User Financing % of total _____
- Source of funds _____

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ 533,100
State funding received	\$ 42,500
Federal funding received	\$ 190,600
Local government funding received	\$ 300,000
Private funding received	\$ -0-
For 1996 Session (F.Y. 1996-97)	
State funding requested	\$ 7,900
Federal funding	\$ 61,000
Local government funding	\$ 120,000
Private funding	\$ -0-
For 1998 Session (F.Y. 1998-99)	
State funding estimate	\$ 12,200
Federal funding	\$ 61,000
Local government funding	\$ 120,000
Private funding	\$ -0-
For 2000 Session (F.Y. 2000-01)	
State funding estimate	\$ -0-
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-
Total Project Costs (all years)	
State funding requested(all years)	\$ 62,600
Federal funding (all years)	\$ 312,600
Local government funding (all years)	\$ 540,000
Private funding (all years)	\$ -0-

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-3

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

GOVERNOR'S RECOMMENDATION:

The Governor recommends general obligation bonding of \$4.0 million for this project. Also included is a budget planning estimate of \$4.0 million in 1998.

To the extent that federal funds are not available to match this appropriation, the Governor recommends that the appropriation be used to match federal funds available for the Drinking Water Revolving Fund project. If and when federal funds become available for both projects requiring state matching funds exceeding those recommended for those projects in this budget, the Governor will consider a supplemental capital budget request for the additional funding.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	120
Safety Concerns	0/35/70/105	70
Customer Services/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	96
Asset Management	0/20/40/60	0
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	50
Total		541

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

AGENCY: Trade and Economic Development, Department of (DTED)
Public Facilities Authority (PFA)

PROJECT TITLE: Drinking Water Revolving Fund

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$7,350

STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$6,000

STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$6,000

LOCATION (CAMPUS, CITY, COUNTY): Statewide 1996 request will address federal fiscal years 1996 and 1997

AGENCY PRIORITY (for projects in the 1996 session only):

2 of 3 requests

1. PROJECT DESCRIPTION:

The state will be required to match the federal drinking water capitalization grant \$1 for every \$5 of federal funding. This new fund would be used to address drinking water improvements statewide with emphasis on addressing compliance with drinking water standards first. Minnesota is projected to receive \$97 million between now and F.F.Y. 2001 requiring a state match of \$19.4 million. The program may be extended beyond 2001.

- The Drinking Water Revolving Fund (DWRF) will be structured similarly to the Wastewater SRF by providing loans with interest rate subsidies based on financial need.
- The Authority will be responsible for the financial management of the fund, soliciting applications and addressing federal (non-technical) compliance issues (Davis Bacon, MBE/WBE, etc.)
- The Authority will prepare the intended used plan (IUP) of eligible projects in conjunction with the Department of Health.
- The Department of Health will classify and prioritize projects based on need.
- The Department of Health, like MPCA, will review and certify projects that appear to be technically feasible to the Authority for financing.

The Public Facilities Authority's Capital budget request is based on the grant amounts projected to be received from the federal government. The request for state matching requirements addresses the projected funding for federal 1996 and 1997 budget. If Congress does not reauthorize the Safe Drinking Water Act the Authority will use the state matching funds to establish a small community revolving loan program for systems that serve under 3,300 people (EPA defined small system). The PFA will leverage the appropriation through the issuance of revenue bonds on a 2 to 3 time ratio offering low interest loans for small systems.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

Drinking water is essential for growth. The costs must be kept affordable in order for businesses to remain competitive. Drinking water was largely ignored by state and federal government until the drinking water standards became too complex and expensive to be addressed adequately by smaller communities without help. The need for a drinking water financing program is long overdue. The Department of Health has identified more than \$183 million worth of projects ready to proceed in small communities. The DTED's Single Application Process continues to receive requests for funding of water related projects in 1 out of 3 applications received.

3. PREVIOUS PROJECT FUNDING:

Drafts of the Safe Drinking Water Act appropriation bills at the federal level have required states to implement state programs and provide the match or funds will be redistributed to other states.

The Authority, working with other community development financing programs within the DTED will continue to work with communities to address their needs in a comprehensive and coordinated manner. The Authority intends that this program mirror the SRF and these funds will be used to leverage revenue bonds at a minimum of 2:1.

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

4. OTHER CONSIDERATIONS (OPTIONAL):

Low-cost financing under the PFA is an important element in helping communities contain costs associated with water service. The low-cost financing is a critical component of the State ability to remain economically competitive.

The PFA and the Department of Health are requesting funds to begin to address these severe drinking water needs. Due to the severity of the problems and scarcity of funding available for small communities we intend to target state bond funding for small community system, those under 3,300 residents (EPA definition of small system). If the federal government provides funding for the Drinking Water Revolving Fund, the program funding will be made available to all communities and funding will be applied to the required state match.

It should also be noted that these funds if appropriated can also serve as the required state match (each \$1 of state funds would leverage \$5 of federal funds) for the proposed USDA Capitalization Grant Program for water and sewer loan and grants and rural/small community public facilities projects (but can't be double counted if both programs pass).

5. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Terry Kuhlman, Director, Public Facilities Authority
Department of Trade and Economic Development
296-4704
500 Metro Square
121 7th Place East
St. Paul, MN 55101-2146

Linda Prail
Project Supervisor, Dept. of Health
Suite 220
121 7th Place East
St. Paul, MN 55101
215-0762

Peggy Adelmann
Administrative Management Director
Minnesota Pollution Control Agency
520 Lafayette Road
St. Paul, Minnesota 55155
296-8005

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-2

TYPE OF REQUEST (Check all that apply):

Acquisition of State Assets
 Development of State Assets
 Maintenance of State Assets
 Grants to Local Governments
 Loans to Local Governments
 Other Grants (specify): _____

PROJECT CHARACTERISTICS (Check all that apply):

Health and Safety
 Enhancement of Existing Programs/Services
 Expansion of Existing Program/Services
 Provision of New Program/Services
 Other (specify): _____

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ _____ Fund _____
 Bonds: \$ 7,350 Tax Exempt Taxable _____

STATE DEBT SERVICE PAYMENTS (Check all that apply):

General Fund % of total 100
 User Financing % of total _____

Source of funds _____

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ _____ -0-
State funding received	\$ _____ -0-
Federal funding received	\$ _____ -0-
Local government funding received	\$ _____ -0-
Private funding received	\$ _____ -0-

For 1996 Session (F.Y. 1996-97)

State funding requested	\$ 7,350
Federal funding	\$ 36,750
Local government funding	\$ 65,000
Private funding	\$ _____ -0-

For 1998 Session (F.Y. 1998-99)

State funding estimate	\$ 6,000
Federal funding	\$ 30,000
Local government funding	\$ 60,000
Private funding	\$ _____ -0-

For 2000 Session (F.Y. 2000-01)

State funding estimate	\$ 6,000
Federal funding	\$ 30,000
Local government funding	\$ 60,000
Private funding	\$ _____ -0-

Total Project Costs (all years)	\$ 301,100
State funding requested(all years)	\$ 19,350
Federal funding (all years)	\$ 96,750
Local government funding (all years)	\$ 185,000
Private funding (all years)	\$ _____ -0-

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

GOVERNOR'S RECOMMENDATION:

The Governor recommends general obligation bonding of \$2 million for this project. Also included are budget planning estimates of \$2 million in 1998 and \$2 million in 2000.

To the extent that federal funds are not available to match this appropriation, the Governor recommends that the appropriation be used to match federal funds available for the Water Pollution Control Revolving Fund project. If and when federal funds become available for both projects requiring state matching funds exceeding those recommended for those projects in this budget, the Governor will consider a supplemental capital budget request for the additional funding.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	120
Safety Concerns	0/35/70/105	70
Customer Services/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	75
User and Non-State Financing	0-100	94
Asset Management	0/20/40/60	0
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	0
Total		464

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AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

AGENCY: Trade and Economic Development, Department of (DTED)
Public Facilities Authority (PFA)

PROJECT TITLE: Wastewater Infrastructure Fund

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$17,000

STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$20,000

STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$20,000

LOCATION (CAMPUS, CITY, COUNTY):

AGENCY PRIORITY (for projects in the 1996 session only):

3 of 3 requests

1. PROJECT DESCRIPTION:

Funds are used to supplement Water Pollution Control Revolving Fund loans when it is necessary to provide additional subsidy to keep wastewater projects affordable at the local level. Draft legislation will be proposed to include inflow and infiltration projects to address problems throughout the state, both public and private owned improvements are necessary to reduce ground water and rain water flow into wastewater treatment plants.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

The economy of the state can expand provided there is adequate environment infrastructure in place or ready to be built in order to address the needs of people and businesses in the state, especially in communities in need of grant funding to supplement loans to keep the systems affordable.

3. PREVIOUS PROJECT FUNDING:

\$3.9 million was appropriated by the legislature to create this gap financing program. Prior to F.Y. 1996 no funds have been used from this program. However, the 1996 Intended Use Plan prepared by Minnesota Pollution Control Agency (MPCA) has several Wastewater Infrastructure Funding Program (WIF) eligible projects that exceed the funds available. Given the

projected reduction in federal funding for community infrastructure the WIF program needs to expand.

4. OTHER CONSIDERATIONS (OPTIONAL):

This program was designed to be a gap financing tool that will be used in conjunction with the SRF. Communities are required to seek grant assistance from other sources before becoming eligible. Given the projected demand for wastewater financing over the next 5 years and the lack of grant funding available, recommendations for modifying the WIF program will be forth coming. First, the program must be modified to leverage funding from the U.S. Department of Agriculture's Rural and Community Development (RECD) Loan and Grant programs to high environmental need projects while helping that program keep user fees at an affordable level. Currently, they require 1.7% of the median household be used for O, M, & R and Debt Service before communities are eligible for grant funding. They will be increasing the threshold to 2% for F.F.Y. 1996 to spread out the funding, without coordination of funding. RECD is the second largest provider of low cost water and wastewater finance, (PFA provides the most funding) it is important to keep the programs affordable to small rural communities. The second change needed is to address the moderate income communities that do not qualify for various grant programs and the current formula for WIF funding may exceed the level of affordability, especially the unsewered communities that lack municipal water systems (treated). WIF funding will help keep sewer rates affordable (\$30-\$40 per month) in communities that are faced with very high costs.

The program would continue to require communities that received WIF grants to set aside a minimum of \$.10 per 1,000 gallons in a system replacement fund to reduce future reliance on the state for grant funding when the system needs major rehabilitation or replacement in the future.

In modifying WIF the state should be able to leverage in excess of 50% of the RECD fund or between \$8-\$12 million annually for high priority environmental projects. The remainder of WIF funding would leverage SRF funds.

**AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1994-99
Dollars in Thousands (\$137,500 = \$138)**

Form F-1

WIF funding would be eligible to be considered state match to address the 20% state match requirement for the proposed USDA capitalization grant program under the Rural Development Reform Act of 1995.

5. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Terry Kuhlman, Director, Public Facilities Authority
Department of Trade and Economic Development
296-4704
500 Metro Square
121 7th Place East
St. Paul, MN 55101

Linda Prail
Project Supervisor
Minnesota Department of Health
Suite 220
121 7th Place East
St. Paul, Minnesota 55101
215-0762

Peggy Adelmann
Administrative Management Director
Minnesota Pollution Control Agency
520 Lafayette Road
St. Paul, MN 55155
296-8005

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-2

TYPE OF REQUEST (Check all that apply):

Acquisition of State Assets
 Development of State Assets
 Maintenance of State Assets
 Grants to Local Governments
 Loans to Local Governments
 Other Grants (specify): _____

PROJECT CHARACTERISTICS (Check all that apply):

Health and Safety
 Enhancement of Existing Programs/Services
 Expansion of Existing Program/Services
 Provision of New Program/Services
 Other (specify): _____

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ _____ Fund _____
 Bonds: \$ 17,000 Tax Exempt Taxable _____
 -

STATE DEBT SERVICE PAYMENTS (Check all that apply):

General Fund % of total 100
 User Financing % of total _____
 Source of funds _____

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ <u>3,900</u>
State funding received	\$ <u>3,900</u>
Federal funding received	\$ <u>-0-</u>
Local government funding received	\$ <u>-0-</u>
Private funding received	\$ <u>-0-</u>
 For 1996 Session (F.Y. 1996-97)	
State funding requested	\$ <u>17,000</u>
Federal funding	\$ <u>-0-</u>
Local government funding	\$ <u>-0-</u>
Private funding	\$ <u>-0-</u>
 For 1998 Session (F.Y. 1998-99)	
State funding estimate	\$ <u>20,000</u>
Federal funding	\$ <u>-0-</u>
Local government funding	\$ <u>-0-</u>
Private funding	\$ <u>-0-</u>
 For 2000 Session (F.Y. 2000-01)	
State funding estimate	\$ <u>20,000</u>
Federal funding	\$ <u>-0-</u>
Local government funding	\$ <u>-0-</u>
Private funding	\$ <u>-0-</u>
 Total Project Costs (all years)	\$ <u>60,900</u>
State funding requested(all years)	\$ <u>60,900</u>
Federal funding (all years)	\$ <u>-0-</u>
Local government funding (all years)	\$ <u>-0-</u>
Private funding (all years)	\$ <u>-0-</u>

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-3

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

GOVERNOR'S RECOMMENDATION:

The Governor recommends general obligation bonding of \$2 million for this project. Also included are budget planning estimates of \$2 million in 1998 and \$2 million in 2000.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	120
Safety Concerns	0/35/70/105	70
Customer Services/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	0
Asset Management	0/20/40/60	0
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	0
Total		345

STATE OF MINNESOTA**FY 1996 - 2001****Capital Budget Requests****Governor's Recommendations****(By Agency & Scores)**

(in \$000)

Project Description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation FY 96	Governor's Planning Estimates	
				FY 96	FY 98	FY 00		FY 98	FY 00

Water & Soil Resources Board

RIM Reserve Program & Permanent	01	380	GO/UF/FF	22,626	19,706	16,374	7,500	7,500	7,500
Area II Minnesota River Basin Grant-in-Aid	03	315	GO/UF	1,650	2,175	1,575	750	750	750
Erosion Control Cost Share	02	280	GO/UF/FF	1,200	1,500	1,200	0	0	0
Abandoned Well Sealing	04	160	GO/UF	250	250	250	0	0	0
Agency Totals				\$25,726	\$23,631	\$19,399	\$8,250	\$8,250	\$8,250

Funding Source

GO = General Obligation Bonds
 GF = General Fund Direct Appropriation

THF = Trunk Highway Fund
 UF = User Financing

FF = Federal Funding
 LF = Local Funding

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AGENCY CAPITAL BUDGET BRIEF
Strategic Planning Summary
Fiscal Years 1996-2001

Form A

1. AGENCY: Water and Soil Resources, Board of (BWSR)

2. AGENCY MISSION STATEMENT:

The mission of the Board of Water and Soil Resources (BWSR) is to provide leadership enabling local governments to properly manage water and soil resources and to help all citizens be stewards of our irreplaceable natural resources.

Although other agencies are involved in resource management, BWSR is unique in that it is the only agency that accomplishes its goals through increasing the capabilities of local government. This approach makes sense for a number of reasons.

First, local ownership of natural resource management activities is an important component for the success of such efforts. State and local partnerships foster feelings of pride and local responsibility rather than resentment over another state mandate.

Second, since resource management is primarily a land use issue and local government is the land use authority in Minnesota, it makes sense to focus resource management assistance at the local level. Local governments, through their widespread planning and zoning authorities, make the majority of land use decisions. Sound land use management at the local level will protect soil, lakes, rivers and streams, and will sustain agriculture, forestry and development.

Finally, this is a time of increased environmental awareness but with fewer resources to address these concerns. Partnerships and strong working relationships are an effective way to leverage our talents, resources, and finances to achieve the greatest results.

Recognizing the advantages of local resource management, the 1987 legislature created BWSR to facilitate the efforts of local government and to ensure coordination of state, local, federal and private resource management initiatives. BWSR's membership includes representatives from local government, citizens, 4 state agencies and the University of Minnesota Extension Service. The composition of BWSR ensures varied perspectives on current issues and resource management policy discus-

sions, and enhances the creation of state, local and private partnerships.

To reach these objectives, BWSR:

- promotes communication and partnerships between state, local and federal agencies, as well as private organizations;
- administers a number of grant programs to local governments for resource management;
- conducts training sessions and provides technical assistance to local government; and
- coordinates the activities of state agencies as they affect local government.

3. TRENDS, POLICIES AND OTHER ISSUES AFFECTING THE DEMAND FOR SERVICES, FACILITIES OR CAPITAL PROGRAMS:

The following trends are shaping the development of policies and programs at BWSR:

- a. *Reduced state and federal government funding for local governments, along with greater local responsibility.* As more of the financial and administrative burdens of resource management fall to local governments, they need to increase their capability to handle those responsibilities, and be supported by capital programs such as those administered by BWSR.
- b. *Increased awareness among the general public -- including landowners -- of resource problems, and increased willingness to make reasonable efforts to conserve and protect resources.* Minnesotans are concerned about our environment, particularly water quality. As citizens have noticed deteriorating conditions of their favorite lakes or fishing streams, more and more citizens are willing to make reasonable efforts and contributions to protect and improve the environment.
- c. *Movement from planning to implementation phase of non-point source pollution prevention strategy.* As Minnesota moves from the planning to the implementation stage of its non-point source strategy, BWSR's local government network increases in importance

AGENCY CAPITAL BUDGET BRIEF
Strategic Planning Summary (Cont'd.)
Fiscal Years 1996-2001

Form A

as the means to disseminate financial and technical aid to local governments. BWSR has the structure and the relationships needed to address non-point concerns at the local level.

d. *Federal Actions.* Federal actions continue to affect BWSR's local government programs in a variety of ways. Some examples are the recent funding cuts to the Conservation Reserve Program and the Wetland Reserve Program. Decreasing federal participation in flood control means a greater need for state participation. BWSR must take this into consideration as it anticipates funding, program and staffing needs, and increased competition for state resources.

4. **PROVIDE A SELF-ASSESSMENT OF THE CONDITION, SUITABILITY AND FUNCTIONALITY OF PRESENT FACILITIES, CAPITAL PROJECTS OR ASSETS:**
Since the inception of the RIM reserve/permanent wetland preserve programs, landowner interest in conservation easements has consistently exceeded appropriations by a 4 to 1 margin. The board anticipates that this level of interest in the program will continue for the foreseeable future.

The Area II Minnesota River grant-in-aid program administered and technically supported by BWSR has been an effective partnership for flood control, floodplain management, erosion control and water quality improvements. The member counties of the Area II joint powers board remain focussed on their mission and have the desire and capability to support an expanded state and local partnership in the Minnesota River basin. Existing studies by the Soil Conservation Service, Corps of Engineers and local governments have identified numerous potential project sites.

In the past the streambank, lakeshore and roadside (SLR) and abandoned well sealing programs have not been funded directly through bonding. In recent years demand for these programs has exceeded available funding by more than 2:1.

5. **DESCRIBE THE AGENCY'S LONG-RANGE STRATEGIC GOALS AND CAPITAL BUDGET PLAN:**
BWSR intends to use bonding to the extent possible to fund projects on public property and projects on private land that have a long term public benefit. Projects on private land that protect public interests will be done through the acquisition of easements.

BWSR's Strategic Plan identifies resource management strategies and the agency's related goals. The resource management strategies specified are education, compliance incentives and regulation. The plan also identifies a number of goals that focus on assisting local governments and landowners in solving and preventing natural resource management problems. The projects outlined in this capital budget request utilize the "incentive strategy" as tools available to local government to enhance local program delivery. Incentives should provide opportunities to dissuade the harmful and encourage beneficial land and water use activities. Incentives should also encompass urban as well as rural values, and loans as well as grants.

Some of the goals identified in BWSR's strategic plan that will be achieved through the capital projects include:

- Protecting or retiring existing marginal agricultural lands and highly sensitive lands.
- Targeting land retirement programs at high priority marginal agricultural lands and sensitive lands.
- Retiring marginal agricultural lands and highly sensitive lands which then allows land managers to focus their stewardship efforts on more productive lands.
- Creating and protecting natural retention systems to aid in the management of surface water runoff and enhance the groundwater recharge.
- Striving towards a "net gain" of wetland resources.
- Installing best management practices on Minnesota lands.

AGENCY CAPITAL BUDGET BRIEF
Strategic Planning Summary (Cont'd.)
Fiscal Years 1996-2001

Form A

- Targeting land treatment cost-share programs to erosion-prone productive lands.
- Reducing soil loss to or below the soil loss tolerance level by the year 2000.
- Managing runoff to minimize property loss and environmental damage.
- Reducing groundwater contamination by sealing abandoned wells.

The requests included in this capital budget are a reflection of programs that have been successful in achieving the objectives outlined above. Wetland restoration, erosion control projects, well sealing and RIM have specifically been identified in local comprehensive water management programs as key incentives to realizing state and local water resource objectives.

6. AGENCY PROCESS USED TO ARRIVE AT THESE CAPITAL REQUESTS:
Budget requests were based on historic requests from local governments for financial assistance.

The capital budget request for the RIM reserve program was determined by extrapolating acreage from the program's five year plan (attachment B). The acreage was derived through a collaborative effort by representatives of local government and BWSR's RIM planning committee. Collectively they estimated the amount of land eligible for the RIM reserve program and forecasted landowner interest.

BWSR staff estimated the acreage eligible for the permanent wetland preserve program to arrive at that component of the funding request.

Information was provided by the Washington County Soil and Water Conservation District for the St. Croix River SLR request.

Area II requests were based on short and long range work plans that reflect project priorities and available capabilities.

Abandoned well information was derived from local water plans.

All requests are a reflection of demands by local government and citizens for service or technical assistance.

The county water plans and the work plans done by SWCDs, watershed districts and watershed management organizations were key sources for these requests.

7. AGENCY CAPITAL BUDGET PROJECTS DURING THE LAST SIX YEAR (1990-1995):

RIM reserve and permanent wetland preserve programs have received \$45.3 million from bonding between 1986 and 1994. Please refer to the RIM reserve permanent wetland preserve project detail for its funding history.

From 1990 to 1995, the Area II grant-in-aid program has received \$2.695 million from capital bonding for design, easements, acquisition and construction of multi-purpose flood damage reduction projects.

8. OTHER (OPTIONAL): None

9. AGENCY CONTACT PERSON, TITLE AND PHONE
Ronald D. Harnack, Executive Director 296-0878

AGENCY CAPITAL BUDGET BRIEF
Projects Summary
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form B

AGENCY: Water and Soil Resources, Board of

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

AGENCY: Water and Soil Resources, Board of (BWSR)
PROJECT TITLE: Reinvest In Minnesota (RIM) Reserve Program
and the Permanent Wetlands Preserve (PWP) Program

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$22,626

STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$19,706

STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$16,374

LOCATION (CAMPUS, CITY, COUNTY): Statewide

AGENCY PRIORITY (for 1996 Session only):

1 of 4 requests

1. PROJECT DESCRIPTION:

The RIM reserve program was established in 1986 (M.S. 103F.505 to 103F.531) "to keep certain marginal agricultural land out of crop production to protect soil and water quality and support fish and wildlife habitat." Funds will be used to acquire from landowners conservation easements on marginal lands for the purpose of restoring wetlands and establishing permanent vegetative cover. Marginal lands include riparian lands, drained restorable wetlands, sensitive groundwater areas and some lands used for agricultural production.

The permanent wetlands preserve (PWP) was created in 1991 (M.S. 103F.516). Funding from this request will be used to acquire perpetual conservation easements on existing type 1 (seasonally flooded basin or flat), type 2 (inland wet meadow), type 3 (cattail) wetlands, and type 6 (shrub) and adjacent lands, and for the establishment of permanent cover on the adjacent lands.

In addition to conservation easement acquisition, the total amount of this request includes professional service costs associated with acquiring easements and conducting related engineering functions (12% for wetland restoration easements and 10% for non-wetland restoration easements).

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

Project Rationale

The RIM reserve and PWP programs conform with BWSR's long-range plan by providing an incentive that local resource managers can use to protect and improve their water and soil resources. The programs are implemented at the local level by soil and water conservation districts (SWCDs).

RIM promotes the retirement of marginal intensive use lands by paying landowners to stop cropping and grazing and to establish conservation practices. This conserving use reduces runoff, erosion and sedimentation, and benefits land, water, fish and wildlife resources. Specific benefits to the public include:

- preventing groundwater contamination to aquifers by retiring cropland over the wellhead protection areas or in the immediate proximity of sinkholes;
- preventing further degradation of surface water quality by retiring riparian land, marginal agricultural cropland and restoring wetlands, which greatly reduces the sediment and nutrient loads associated with erosion;
- enhancing fish and wildlife habitat by retiring riparian lands and marginal cropland to reduce sediment and nutrient loads; and
- enhancing upland game and nongame wildlife habitat with increased permanent vegetative cover.

The PWP program was enacted during the same legislative session as the Wetland Conservation Act (WCA) of 1991. Both programs strive to protect the state's remaining wetland resources. The PWP program discourages the conversion of wetlands that are exempt from the regulatory restrictions of the WCA, and offsets the financial burden that may result when individuals

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

are denied a permit exemption from WCA rules. The PWP was created as the state waterbank program was sunsetted. Even though the two programs were not identical, the PWP program was intended to replace the state waterbank program.

Both programs meet the goals and objectives of BWSR's strategic plan. They protect the state's water and soil resources by retiring existing marginal agricultural lands, restoring drained wetlands and protecting existing wetlands that are highly susceptible to alteration.

Anticipated Outcomes

Target enrollment for the RIM reserve program is 25,835 acres for the 1996-97 biennium. This includes 12,000 acres of marginal land (riparian and groundwater sensitive land); 4,000 acres of drained wetlands; 5,720 acres formerly enrolled in CRP; and 4,115 acres previously covered by RIM limited-duration easements.

Target enrollment for the PWP program for the 1996-97 biennium is 2,500 acres. BWSR will give highest priority to enrolling those lands most susceptible to change such as wetlands currently in crop production and wetlands not protected by state or federal law.

BWSR believes there is an urgent need to acquire easements on some of the lands that will expire from the USDA's Conservation Reserve Program (CRP) contracts and RIM reserve limited-duration easements. Converting CRP contracts and limited-duration easements to perpetual easements is efficient because the land is currently being used for conservation. Less than 1% of the expiring acres have been targeted for acquisition. Typically these are the most environmentally sensitive lands that contribute significantly to the degradation of ground and surface water resources, lands that are most prone to erosion.

While keeping these acres in conservation will require a significant financial commitment, it is important to recognize that lands returning to intensive

use such as crop production or grazing will undoubtedly result in costly off-site impacts such as sedimentation and water quality degradation.

Acres scheduled for release from CRP and RIM limited-duration easements:

Year	CRP	RIM		Total
		Imtd	dur	
1996	136,000	110		136,110
1997	1,007,000	8,120		1,015,120
1998	341,000	100		341,100
1999	221,000	100		221,100
2000	126,000	0		126,000
2001	20,000	0		20,000
Total	1,851,000	8,430		1,859,430

Acreage enrollment goals:

Year	RIM Reserve					PWP
	Marginal Lands	Wetland	Expiring CRP	Expiring RIM		
1996	6,000	2,000	720	55	1,250	10,025
1997	6,000	2,000	5,000	4,060	1,250	18,310
1998	6,000	2,000	3,410	50	1,200	12,660
1999	6,000	2,000	2,210	50	1,000	11,260
2000	6,000	2,000	1,260	0	1,000	10,260
2001	6,000	2,000	200	0	500	8,700
Totals	36,000	12,000	12,800	4,215	6,200	71,215

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Funds required to enroll acreage goal:

Year	RIM Reserve			PWP	Annual Total (\$ in 000)	Biennial Total (\$ in 000)
	Marginal Lands	Wetland Restore	Expiring CRP/RIM			
1996	4,746	2,372	505	989	8,612	
1997	4,746	2,372	5,907	989	14,014	22,626
1998	4,746	2,372	2,256	949	10,323	
1999	4,746	2,372	1,474	791	9,383	19,706
2000	4,746	2,372	821	791	8,730	
2001	4,746	2,372	130	396	7,644	16,374
Totals	28,476	14,232	11,094	4,905	58,706	58,706

Average Cost/Acre:

Marginal Land	\$ 791
Wetland	\$1,186
CRP/RIM	\$ 652
PWP	\$ 791

Achieving the enrollment goals will be dependent on:

1. The state's financial commitment to the program.
2. The economic appeal of the program in relation to a landowner's management decisions.
3. The degree to which other conservation agencies and organizations contribute to the protection of the identified acres.

Project Alternatives

BWSR acknowledges that alternative resource management techniques should be employed in conjunction with RIM reserve and PWP programs to protect environmentally sensitive lands slated to expire from other conservation programs. Comprehensive resource management techniques should

include local adoption and enforcement of ordinances to reduce erosion and sedimentation, and to promote maintenance of flood plain hardwood forests. A model *Agricultural Erosion Control Ordinance* has been drafted to assist counties that want to adopt such a measure. A regulatory approach, such as adopting ordinances, will be successful only if implemented in conjunction with educating landowners and providing financial incentives.

The agency also believes there is a role for limited-use conservation easements. Limited-use easements would only be allowed in a manner compatible with the program goals to protect water quality and enhance wildlife habitat. Because the state is acquiring fewer land rights with a limited use easement, acquisition costs are lower and consequently more acres can be protected.

A limited use easement is most applicable to a managed grazing system or regulated mowing. Several tools exist to assist landowners with the management of their grazing lands. The Land Stewardship Project and the USDA Natural Resources Conservation Service (NRCS) have been promoting managed and holistic grazing systems. Both agencies are studying the compatibility of conservation easements and grazing. Acquiring limited-use easements requires frequent monitoring and consistent enforcement of the easement terms.

In addition, SWCDs and counties must have enough properly trained technical staff to execute such alternative resource management strategies.

3. PREVIOUS PROJECT FUNDING:

Since its inception in 1986, \$45.3 million for RIM reserve and PWP programs has been appropriated from the sale of bonds, and \$1.823 million has been appropriated from the environmental trust and the future resources funds.

BWSR has solicited and received matching funds from federal partners for wetland restoration easements. In F.Y. 1994 BWSR received \$850 thousand for restorations in the Minnesota River basin from the North

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

American Wetlands Conservation Act (NAWCA). In F.Y. 1996 the agency expects to receive \$753 thousand for restoration projects in the Minnesota River and Heron Lake watersheds. BWSR continues to seek grants from NAWCA to fund conservation easements associated with special projects or within priority watersheds. This matching program requires a 2.5:1 match to be competitive nationally.

It is anticipated that conservation groups such as Pheasants Forever, Ducks Unlimited, Isaac Walton League, Minnesota Waterfowl Association, Trout Unlimited and the U.S. Fish and Wildlife Service will continue to leverage dollars towards the establishment of conservation practices on RIM easements. Since 1992 these organizations have contributed approximately \$200 thousand to the program, with additional donations in the form of grass seed and in-kind services. BWSR continues to seek funding from these groups.

Year	Amount (\$000)	Source	Landowner Requests (\$000)
1986	\$9,400	Bonding	\$25,500
1987	\$9,000	Bonding	\$5,500
1988	\$-0-	Bonding	\$5,000
1989	\$1,500	Bonding	\$6,300
1990	\$750	Bonding	\$4,200
1991	\$6,900	Bonding	\$7,800
1991	\$1,000	Trust Fund	
1991*	\$7,000	Bonding	
1992	\$1,250	Bonding	\$3,700
1993	\$500	Trust Fund	\$35,000
	\$323	Future Resources	
	\$500	Bonding	
1994**	\$850	NAWCA (federal)	\$20,000
	\$9,000	Bonding	
	\$47,973	Total	

* Appropriation specifically for PWP program.

** A fall/winter 1995 signup for landowners is scheduled.

4. OTHER CONSIDERATIONS (OPTIONAL):

RIM reserve has been a popular program stemming from the 1984 citizens report to the governor to promote hunting and fishing in Minnesota. Many individuals and organizations praised the report for its insightful recommendations, and led to the passage of the landmark legislation creating RIM. To not fund this program would end a vital incentive used in promoting good land and water stewardship. In addition, establishing partnerships between public and private organizations would be greatly diminished.

5. PROJECT CONTACT PERSON:

Tim Fredbo, Easement Programs Manager; 296-0880

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-2

TYPE OF REQUEST (Check all that apply):

Acquisition of State Assets
 Development of State Assets
 Maintenance of State Assets
 Grants to Local Governments
 Loans to Local Governments
 Other Grants (specify):

PROJECT CHARACTERISTICS (Check all that apply):

Health and Safety
 Enhancement of Existing Programs/Services
 Expansion of Existing Program/Services
 Provision of New Program/Services
 Other (specify):

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ _____ Fund _____
 Bonds: \$22,626 Tax Exempt Taxable _____

STATE DEBT SERVICE PAYMENTS (Check all that apply):

General Fund % of total 100
 User Financing % of total _____

Source of funds _____

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ 48,173
State funding received	\$ 47,123
Federal funding received	\$ 850
Local government funding received	\$ -0-
Private funding received	\$ 200
For 1996 Session (F.Y. 1996-97)	
State funding requested	\$ 22,626
Federal funding	\$ 850
Local government funding	\$ -0-
Private funding	\$ 200
For 1998 Session (F.Y. 1998-99)	
State funding estimate	\$ 19,706
Federal funding	\$ 850
Local government funding	\$ -0-
Private funding	\$ 200
For 2000 Session (F.Y. 2000-01)	
State funding estimate	\$ 16,374
Federal funding	\$ 850
Local government funding	\$ -0-
Private funding	\$ 200
Total Project Costs (all years)	\$ 110,029
State funding requested(all years)	\$ 105,829
Federal funding (all years)	\$ 3,400
Local government funding (all years)	\$ -0-
Private funding (all years)	\$ 800

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-3

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

GOVERNOR'S RECOMMENDATION:

The Governor recommends general obligation bonding of \$7.5 million for this project. Also included are budget planning estimates of \$7.5 million in 1998 and \$7.5 million in 2000.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/12	120
Safety Concerns	0/35/70/105	0
Customer Services/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	5
Asset Management	0/20/40/60	0
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	50
Total		380

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

AGENCY: Water and Soil Resources, Board of (BWSR)
PROJECT TITLE: Erosion Control Cost Share

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$1,200
STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$1,500
STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$1,200
LOCATION (CAMPUS, CITY, COUNTY): Statewide

AGENCY PRIORITY (for projects in the 1996 session only):

2 of 4 requests

1. PROJECT DESCRIPTION:

Eligible projects under BWSR's cost share programs include eroding sites on streambank, lakeshore and roadside areas. The primary focus of the program is to control erosion on lands that abut lakes and rivers. Sites on public land are eligible, as are sites on private property if access for maintenance and property use are restricted by easement.

Funding requested in each of the 3 bienniums will be used for grants to SWCDs to share the cost of erosion control projects. Under current cost share programs the state pays 75% and the public or private landowner pays 25%. BWSR proposes that up to 20% of bond proceeds be used for the technical assistance necessary to survey and design the erosion control projects. This is consistent with M.S. 103C.501, which relates to cost share contracts.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

BWSR's strategic plan states that programs should be available to assist local government in correcting erosion problems on lakes and rivers. The sites to be addressed by this request have been identified by SWCDs as priority areas.

BWSR allocates funds to SWCDs on a request basis. In F.Y. 1994, SWCDs

requested \$573 thousand for 29 projects. This trend where requests exceed funding by a 3.5:1 ratio has continued for several years and is the basis for this part of the request. An additional \$400 thousand per year is needed to fund SWCD project needs.

The other component of this proposal relates to the St. Croix River south of Stillwater. Estimates provided by local government personnel suggest that there are about 100 sites that need stabilization of an average cost of \$10 thousand per site, which includes the cost of easements for access and restricted use. One million dollars is needed to complete these projects over the next 6 years.

3. PREVIOUS PROJECT FUNDING:

BWSR has provided grants to SWCDs for streambank, lakeshore and roadside projects since the late 1970s. The LCMR provided the initial funding of \$150 thousand and \$250 thousand per year, respectively, over two biennia. Since then, annual funding of about \$160 thousand has come from BWSR's biennial appropriation.

Historically, federal, local and private sources have combined with state funding to fund erosion control projects. To date, bonding has not been used to fund erosion control projects.

4. OTHER CONSIDERATIONS (OPTIONAL):

Local governments and BWSR have used other funds to augment this effort (e.g., local water planning and federal USDA-ACP erosion control cost-share dollars). Lake Superior, Coastal Management, and EPA 319, Great Lakes Commission and state revolving funds are also leveraged by these requests. USDA-ACP funding has been reduced 75% from \$6 million to \$1.5 million in the last 3 years.

5. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Greg Larson, Administrator, Water and Land Management Section;
296-0882

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-2

TYPE OF REQUEST (Check all that apply):

Acquisition of State Assets
 Development of State Assets
 Maintenance of State Assets
 Grants to Local Governments
 Loans to Local Governments
 Other Grants (specify): _____

PROJECT CHARACTERISTICS (Check all that apply):

Health and Safety
 Enhancement of Existing Programs/Services
 Expansion of Existing Program/Services
 Provision of New Program/Services
 Other (specify): _____

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ _____ Fund _____
 Bonds: \$ 1,200 Tax Exempt Taxable _____

STATE DEBT SERVICE PAYMENTS (Check all that apply):

General Fund % of total 100
 User Financing % of total _____

Source of funds _____

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ 6,689
State funding received	\$ 3,344
Federal funding received	\$ 669
Local government funding received	\$ 1,004
Private funding received	\$ 1,672

For 1996 Session (F.Y. 1996-97)

State funding requested	\$ 1,200
Federal funding	\$ 240
Local government funding	\$ 360
Private funding	\$ 600

For 1998 Session (F.Y. 1998-99)

State funding estimate	\$ 1,500
Federal funding	\$ 300
Local government funding	\$ 450
Private funding	\$ 750

For 2000 Session (F.Y. 2000-01)

State funding estimate	\$ 1,200
Federal funding	\$ 240
Local government funding	\$ 360
Private funding	\$ 600

Total Project Costs (all years)	\$ 14,489
State funding requested(all years)	\$ 7,244
Federal funding (all years)	\$ 1,449
Local government funding (all years)	\$ 2,174
Private funding (all years)	\$ 3,622

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend capital funds for this project.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	120
Safety Concerns	0/35/70/105	0
Customer Services/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	75
User and Non-State Financing	0-100	50
Asset Management	0/20/40/60	0
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	0
Total		280

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AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

AGENCY: Water and Soil Resources, Board of (BWSR)

PROJECT TITLE: Area II Minnesota River Basin Grant-in-Aid Program

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$1,650

STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$2,175

STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$1,575

LOCATION (CAMPUS, CITY, COUNTY): Five major subbasins of the Minnesota River between Ortonville and Mankato, Minnesota.

AGENCY PRIORITY (for projects in the 1996 session only):

3 of 4 requests

1. PROJECT DESCRIPTION:

In 1978 the legislature created a grant-in-aid program (M.S. 103F.171-187) to share the costs with local government of building floodwater retention structures in 5 major subbasins of the Minnesota River. The project area is characterized by broad upland and lowland plains connected by a steep transition known as the Coteau des Prairie, fertile soils, frequent flooding (including many interbasin floodwater overflows) and substantial erosion. These five subbasins were referred to as Study Area II in the Minnesota River Basin Study conducted by the U.S. Soil Conservation Service during the 1970s. A 10 county joint powers board was established in 1978 to coordinate local implementation and cost sharing for the program.

The projects for which funds are requested include: reservoirs, both with and without permanent pools; road retention structures involving temporary floodwater storage upstream from public roads, typically constructed during bridge or culvert replacements; and other potential floodwater and sediment retarding measures such as buffer strips and wetland restorations.

The projects covered by this program are components of a general plan for flood control and floodplain management. The Minnesota River Basin Study identified over 100 potential floodwater retention sites within the project area. A subsequent joint study conducted by the SCS and U.S. Army Corps

of Engineers during the 1980s documented recurring severe flood damage and soil loss within the five major Area II watersheds. The direct flood damages are estimated at \$8 million annually. An average of 346 thousand tons of soil per year is estimated to erode from these watersheds into the Minnesota River. This soil loss is estimated to result in up to \$20 million in annual productivity losses, with significant impacts on water quality.

The joint SCS/COE study provided technical, environmental and economic analyses of the potential floodwater retention sites identified and set the basis for prioritizing projects. That study also recognized local project implementation as being the most cost effective. Road retention structure sites within Area II were identified in cooperation with county and state highway departments and have been prioritized based on the estimated costs and benefits of the sites. Capital funding requests for the next 3 biennia include:

	\$000's
Numerous road retention projects	\$1,800
Redwood-22 Reservoir upstream of Marshall	\$1,050
Lazarus Creek reservoir	\$1,125
Peterson reservoir	\$ 400
Lac Qui Parle 3 reservoir	\$1,125

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

The severe flooding in the Minnesota River basin in 1993 highlighted the need to reduce flood damage to roads and bridges, public and private structures, farm fields, river banks and urban centers within the project area. An interagency hazard mitigation team led by the Federal Emergency Management Agency (FEMA) prepared a report for Minnesota, including Area II, that identified floodwater retention at roads, flood control reservoirs and wetland restorations as appropriate measures to reduce flood damage in the future. The reservoirs and road retention structures included in this cost share program retard floodwaters in the upstream areas of watersheds, which reduces downstream flood peaks and sediment transport. Lower flood peaks result in reduced direct flood damages to roads, bridges,

AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-1

structures and fields, as well as reduced downstream sedimentation. The sediment and associated nutrient trapping efficiency of these floodwater retarding projects is 50 - 90%, providing significant water quality improvement benefits.

BWSR's strategic plan states: "Runoff should be managed to minimize property loss and environmental damage by moderating high flows and maintaining low flows of streams." Both state and federal floodplain management and flood control programs rely upon local partners and local implementation. To date the Area II partnerships between local, state and federal governments have resulted in the construction of 8 flood control reservoirs and 18 road retention projects. These partnerships have capitalized on the efficiencies of local implementation through focused efforts, mutual commitments and streamlined procedures. Numerous additional road retention projects, reservoirs and associated watershed management measures are planned within Area II.

BWSR's basic strategy, as capsulized in its mission statement and outlined in its strategic plan, is to empower local governments and private citizens to be effective resource managers. The statewide local water planning efforts have been very successful in this regard, and have become an important basis for the strategic plan for the Area II joint powers group. On a watershed basis, successful local water management requires joint efforts among local units of government. The Area II joint powers board and state grant-in-aid program have provided opportunities to achieve this kind of local government cooperation for flood control and floodplain management. The Area II grant-in-aid program has also provided opportunities for partnerships associated with erosion and sedimentation control, river and reservoir water quality monitoring, streamflow data collection and related technical assistance.

The strategic plan for Area II includes increased ties to comprehensive local water plans, as well as expanded partnerships under the state's Minnesota River improvement initiative. The board of directors for the Area II joint powers group has expressed to the Governor and area legislators its commitment to an expanded role under the Minnesota River improvement

initiative. Area II will look to other agencies for support to achieve mutual objectives. The focus is expected to continue to shift from large floodwater retention dams to smaller strategically located road retention projects and wetland restorations or enhancements.

3. PREVIOUS PROJECT FUNDING:

Since F.Y. 1992, the Area II grant-in-aid program has received \$189 thousand per year from the general fund. These funds have been used to cost share design and construction of numerous road retention projects, as well as preliminary design and environmental analysis for the Redwood-22 and Lazarus Creek reservoir projects. In addition, the following appropriations have been from bonding:

Redwood-22 Reservoir Project:

ML93, Chapter 172; \$250 thousand for land acquisition.

ML94, Chapter 643; \$800 thousand for land acquisition only, contingent upon local match.

4. OTHER CONSIDERATIONS (OPTIONAL):

The requested funding would involve a maximum state cost-share of 75%, if federal funding is not available, and maximum 50% of the local sponsor cost-share, if federal funding is available, in accordance with the program statutes. In all instances, local government and BWSR have leveraged the optimum availability of federal funds. If no action is taken to fund this project, the rate of project implementation (by local governments alone) will be greatly curtailed, and an opportunity for continued support of this local/state partnership for flood water retention and related water quality protection in a large portion of the Minnesota River basin will be foregone.

5. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Al Kean, Chief Engineer; 297-2907

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

TYPE OF REQUEST (Check all that apply):

Acquisition of State Assets
 Development of State Assets
 Maintenance of State Assets
 Grants to Local Governments
 Loans to Local Governments
 Other Grants (specify):

PROJECT CHARACTERISTICS (Check all that apply):

Health and Safety
 Enhancement of Existing Programs/Services
 Expansion of Existing Program/Services
 Provision of New Program/Services
 Other (specify):

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ _____ Fund _____
 Bonds: \$ 1,650 Tax Exempt Taxable _____

STATE DEBT SERVICE PAYMENTS (Check all that apply):

General Fund % of total 100
 User Financing % of total _____ Source of funds

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ 1,050
State funding received	\$ 1,050
Federal funding received	\$ -0-
Local government funding received	\$ -0-
Private funding received	\$ -0-
For 1996 Session (F.Y. 1996-97)	
State funding requested	\$ 1,650
Federal funding	\$ -0-
Local government funding	\$ 550
Private funding	\$ -0-
For 1998 Session (F.Y. 1998-99)	
State funding estimate	\$ 2,175
Federal funding	\$ -0-
Local government funding	\$ 725
Private funding	\$ -0-
For 2000 Session (F.Y. 2000-01)	
State funding estimate	\$ 1,575
Federal funding	\$ -0-
Local government funding	\$ 525
Private funding	\$ -0-
Total Project Costs (all years)	
State funding requested(all years)	\$ 6,450
Federal funding (all years)	\$ -0-
Local government funding (all years)	\$ 1,800
Private funding (all years)	\$ -0-

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form F-3

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

GOVERNOR'S RECOMMENDATION:

The Governor recommends general obligation bonding of \$750 thousand for this project. Also included are budget planning estimates of \$750 thousand in 1998 and \$750 thousand in 2000.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	120
Safety Concerns	0/35/70/105	0
Customer Services/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	25
Asset Management	0/20/40/60	0
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	50
Total		315

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

AGENCY: Water and Soil Resources, Board of (BWSR)
PROJECT TITLE: Abandoned Well Sealing

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$ 250
STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$ 250
STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$ 250
LOCATION (CAMPUS, CITY, COUNTY): Statewide

AGENCY PRIORITY (for projects in the 1996 session only):

4 of 4 requests

1. PROJECT DESCRIPTION:

The requested funds will be used to share the cost of sealing high priority abandoned wells on public land owned by municipalities, townships and counties. The state share will be up to 75% of the well sealing cost. Well sealing costs can range from several hundred to several thousand dollars. Using an average cost of five hundred dollars per sealed well, the requested funds will seal approximately 660 priority wells in each of the next 3 biennia.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

Abandoned wells are those that are no longer used, or in such a state of disrepair that continued use is impractical or a health hazard. Unsealed abandoned wells are a potential source of groundwater degradation, and can pose a safety hazard. They can act as conduits for contamination to reach the groundwater. Water from a contaminated aquifer may move through an unsealed abandoned well to contaminate another aquifer that is normally protected by an impermeable layer.

The Minnesota Department of Health (MDH) estimates that approximately one million unsealed abandoned wells are located throughout the state. Some counties are estimated to have as few as one thousand abandoned

wells, while others may have thousands.

The Groundwater Protection Act of 1989 provided limited state funding to establish a cost share program to seal abandoned wells. This program was administered by BWSR. To date \$1.1 million has been allocated in grants to 39 counties to share the cost with landowners of sealing high priority abandoned wells. Over 3,400 wells have been sealed to date with these cost share funds. Program results have been summarized in a "Status Report on Abandoned Well Programs" submitted jointly to the legislature in September 1994 by BWSR and MDH.

The well sealing cost share program has not addressed the problem of abandoned wells on publicly owned land. DNR has been charged with conducting inventories of abandoned wells on state land, and is separately seeking funding to seal priority wells on state land.

This request will fund a cost share program that covers abandoned wells on non-state owned public land. The funds requested will complement an existing regulatory program that requires disclosure and sealing of unused wells at the time of property transfer.

BWSR's strategic plan includes a goal of reducing groundwater contamination by sealing abandoned wells. BWSR, in cooperation with other agencies, has developed the capabilities and procedures to successfully implement well sealing cost share programs.

3. PREVIOUS PROJECT FUNDING:

In F.Y. 1990-91, \$357 thousand was appropriated from the general fund to BWSR for well-sealing cost share grants to counties. The 1991 legislature appropriated \$750 thousand from the Environmental Trust Fund for well sealing cost share grants to counties in F.Y. 1992-93. The state received \$500 thousand in federal funds in 1995 for well sealing cost share grants to counties. This \$500 thousand, a grant from the Federal Centers for Disease Control to the Minnesota Department of Health, was transferred to BWSR to administer. Local funding for well sealing, mainly from counties,

**AGENCY CAPITAL BUDGET REQUEST
Non-Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)**

has been approximately \$150 thousand to date. Private landowners have contributed at least 25% of well sealing costs, or approximately \$450 thousand.

4. OTHER CONSIDERATIONS (OPTIONAL):

A concern in this type of program is setting priorities to ensure that the highest priority wells (those with the greatest potential to contaminate the ground water) are sealed with available funds. Setting priorities ensures that the most effective use is made of state funds and that the state gets the most groundwater protection for its money. In 1990, BWSR led an interagency advisory group with representatives from BWSR, MDH, DNR, MPCA, and local governments that developed a process for prioritizing wells for sealing.

Priority wells, by virtue of their construction, depth, condition, location, aquifer characteristics, or proximity to contamination sources and other wells, have a high potential for groundwater contamination and contamination of drinking water. Examples include wells receiving surface drainage, wells penetrating confining layers, multi-aquifer wells near a zone of surface contamination, and wells in an aquifer where any unsealed abandoned wells are the main potential contamination source.

BWSR and other agencies have extensive experience in setting priorities for well sealing. The criteria developed as a part of the current well sealing cost share programs will be used to prioritize requests from local government for well sealing funds so that the state maximizes its groundwater protection effort.

5. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Greg Larson, Administrator, Water and Land Management Section;
296-0882.

AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

TYPE OF REQUEST (Check all that apply):

Acquisition of State Assets
 Development of State Assets
 Maintenance of State Assets
 Grants to Local Governments
 Loans to Local Governments
 Other Grants (specify):

PROJECT CHARACTERISTICS (Check all that apply):

Health and Safety
 Enhancement of Existing Programs/Services
 Expansion of Existing Program/Services
 Provision of New Program/Services
 Other (specify):

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ _____ Fund _____
 Bonds: \$ 250 Tax Exempt Taxable _____

STATE DEBT SERVICE PAYMENTS (Check all that apply):

General Fund % of total 100
 User Financing % of total _____

Source of funds _____

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ 2,207
State funding received	\$ 1,107
Federal funding received	\$ 500
Local government funding received	\$ 150
Private funding received	\$ 450
For 1996 Session (F.Y. 1996-97)	
State funding requested	\$ 250
Federal funding	\$ -0-
Local government funding	\$ 83
Private funding	\$ -0-
For 1998 Session (F.Y. 1998-99)	
State funding estimate	\$ 250
Federal funding	\$ -0-
Local government funding	\$ 83
Private funding	\$ -0-
For 2000 Session (F.Y. 2000-01)	
State funding estimate	\$ 250
Federal funding	\$ -0-
Local government funding	\$ 83
Private funding	\$ -0-
Total Project Costs (all years)	
State funding requested(all years)	\$ 1,857
Federal funding (all years)	\$ 500
Local government funding (all years)	\$ 399
Private funding (all years)	\$ 450

**AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)**

Form F-3

DEPARTMENT OF FINANCE ANALYSIS:

This submission meets all Department of Finance criteria for project qualification.

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend capital funds for this project.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	40
Safety Concerns	0/35/70/105	35
Customer Services/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	25
User and Non-State Financing	0-100	25
Asset Management	0/20/40/60	0
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	0
Total		160

STATE OF MINNESOTA
FY 1996 - 2001
Capital Budget Requests

Governor's Recommendations
(By Agency & Scores)
(in \$000)

Project Description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				FY 96	FY 98	FY 00		FY 98	FY 00

Zoological Gardens

Roadways and Pathways	01	420	GO	6,050	6,034	391	750	750	750
Children's Farm	02	295	GO/UF	1,750	0	0	0	0	0
Water Management	0	GO		0	700	0	0	0	0
Gateway to the Zoo	0	GO		0	6,000	0	0	0	0
Bird Holding	0	GO		0	780	0	0	0	0
Greenhouse	0	GO		0	0	275	0	0	0
Agency Totals				\$7,800	\$13,514	\$666	\$750	\$750	\$750

Funding Source

GO = General Obligation Bonds
 GF = General Fund Direct Appropriation

THF = Trunk Highway Fund
 UF = User Financing

FF = Federal Funding
 LF = Local Funding

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AGENCY CAPITAL BUDGET BRIEF
Strategic Planning Summary
Fiscal Years 1996-2001

Form A

1. AGENCY: Minnesota Zoological Garden (MZG)

2. AGENCY MISSION STATEMENT:

The Minnesota Zoological Garden (MZG) exists **to strengthen the Bond Between People and the Living Earth**. The MZG strives to accomplish its mission by:

- a. Providing an exciting, affordable family experience that brings visitors to a heightened awareness of and appreciation for wildlife;
- b. Operating a high quality recreational and educational facility that serves the people of Minnesota and out-of-state tourists;
- c. Serving as a statewide environmental and educational facility that provides a significant addition to the quality of life in Minnesota;
- d. Providing a multi-disciplinary education and research environment to promote a better understanding of MZG's endangered and exotic animal collection.

The MZG operates in 3 major programmatic areas: Biological Programs, Enterprise Programs and Operations in order to achieve the following mission-related objectives:

- To maintain the animal husbandry, animal health, animal records and research necessary for a healthy animal collection.
- To provide people of all ages with a variety of zoo learning adventures which help foster an understanding and appreciation of wildlife and the environment.
- To acknowledge a responsibility to provide leadership in conserving the biological diversity of our planet and in protecting the wild species living under our stewardship.
- To assure the quality of the visitor experience.

- To maintain the exhibits and grounds to assure the visitor an interesting, safe and fun recreational experience.

3. TRENDS, POLICIES AND OTHER ISSUES AFFECTING THE DEMAND FOR SERVICES, FACILITIES OR CAPITAL PROGRAMS:

The MZG experienced steady growth since 1988, with record attendance set in F.Y. 1991 (1,163,970), 1992 (1,166,383), 1993 (1,215,245) and 1994 (1,294,183). According to market research, the attendance is predicted to increase 10% the first year of the Marine Education Center opening, with an annual increase of 2% for the next 10 years.

The MZG's long range exhibit planning addresses development for the next 10 years. A priority is the Marine Education Center. Groundbreaking took place in the summer of 1996 for this project. Other projects now in the planning process include the Children's Farm, Lion Exhibit, a Great Apes Exhibit, a new Gateway and Zoo Lab Academy.

Not only are we expecting an increase in our general attendance, but the demand for special events and private rentals is growing. The increased vehicular and pedestrian traffic has burdened our roadways and pathways, which are in need of immediate attention. Repairs to surface areas, widening roads and pathways to accommodate increased traffic and outside lighting for evening events to meet building code requirements are needed.

4. PROVIDE A SELF-ASSESSMENT OF THE CONDITION, SUITABILITY AND FUNCTIONALITY OF PRESENT FACILITIES, CAPITAL PROJECTS OR ASSETS:

The MZG is more than 17 years old and showing the wear of 16 million visitors since it first opened.

The MZG will continue to address the need of maintaining the infrastructure through the use of General Fund appropriations and CAPRA requests whenever possible. In addition, the 2 capital budget requests for the current biennium will address specific needs which the zoo faces.

AGENCY CAPITAL BUDGET BRIEF
Strategic Planning Summary (Cont'd.)
Fiscal Years 1996-2001

Form A

The condition of our roadways and pathways is deteriorating due to the increased usage and there is a need for repair and upgrading to meet current standards. In addition, there is a need to upgrade our parking facilities to accommodate public demand. This request is a priority for the MZG.

Our second priority is the Children's Farm Exhibit. Matching funds from our capital campaign will be used to finance the construction of the Children's Farm Exhibit, a replacement for the Children's Zoo. The Farm Exhibit will provide the public with an opportunity to experience a family farm environment, to have hands-on contact with selected farm animals and to be acquainted with educational resources regarding various agricultural related topics.

The MZG also plans to request capital budget funding for 5 projects in F.Y. 1998 and F.Y. 2000.

Since the inception of the zoo, water management has been a concern. Twelve DNR protected lakes and wetlands and other non-regulated ponds and wetlands exist on the 500 plus acres of zoo property. Over the years there has been continual water quality and quantity problems. The water management request will allow the zoo to economically and effectively manage the water issues of the site including a composting program.

A need has developed in the management of our exotic and endangered animals for a passerine (songbird) and waterfowl breeding and seasonal holding facility. The MZG has a nationally renowned passerine breeding program which is also a source of revenue for the zoo. This facility would enable the MZG to continue its breeding program and in addition would allow us to house waterfowl (Trumpeter Swans in particular) during winter months.

The proposed new Gateway to the zoo will create a vibrant new public core for entry, visitor amenities, classrooms and animal exhibits. The components of this project will be the new upper lobby, central hall, lower level concourse, classrooms, Zoolab and animal exhibit and holding areas. Plans include an expanded retail area, office space and storage space.

The original greenhouse constructed over 17 years ago no longer meets the needs of our Horticulture Program. A new facility that will enable staff to meet the demands of maintaining a tropical environment in our Tropics Building, the virgin hardwood forests contained within our 500 plus acres and a pleasant recreational setting is much needed.

5. DESCRIBE THE AGENCY'S LONG-RANGE STRATEGIC GOALS AND CAPITAL BUDGET PLAN:

The mission of the MZG is to **Strengthen the Bond Between People and the Living Earth**. Strategies have been developed by staff and endorsed by the Minnesota Zoological Board which strive to assist in supporting that mission. These strategies are:

- Create a magical experience
- Thrive as a special place for children
- Know our customers
- Manage visitor moments of truth
- Link revenues to results
- Build a premiere service organization
- Invest to keep the existing zoo great

The capital budget plan for the MZG is directly related to our strategies and goals.

The plan must balance the needs of an aging facility that has not had adequate funding for preventative maintenance and is being stretched to the limits by ever growing public demand.

Improvements to the infrastructure are critical to the continued development of a comfortable and safe environment for visitors and staff. The roadways, parking facilities and pathways are over 17 years old and with increased public demand it is time to make major improvements and build for the future.

The Children's Farm, which will replace the Children's Zoo, will provide the public with the opportunity for an educational and recreational experience centered on Minnesota farm life.

AGENCY CAPITAL BUDGET BRIEF
Strategic Planning Summary (Cont'd.)
Fiscal Years 1996-2001

Form A

The water management plan is not only necessary to protect the investment the state has made in the infrastructure but also improves the overall appearance of the zoo and promotes our commitment to conservation of the natural environment.

The Passerine (songbird) and Waterfowl Breeding and Seasonal Holding Facility will greatly improve our animal management program, provide stock for avian exhibits and ultimately result in additional revenues due to the propagation program. It will also contribute to our water management program by allowing the Main Lake to freeze over, which has been aerated in the past to accommodate the waterfowl collection.

The Gateway to the zoo will provide the public with amenities and new exhibits, while providing MZG with much needed expansion space for retail and operations.

6. AGENCY PROCESS USED TO ARRIVE AT THESE CAPITAL REQUESTS:

The MZG routinely receives guest comments regarding the state of the current facility as well as desires for future exhibits. Formal visitor surveys are conducted quarterly. This information weighs heavily in the process for determining priorities for capital improvements.

The management staff of the MZG in consultation with board members determine priorities based on guest input, cost benefit analysis, affordability and how individual projects support the mission of the zoo. Whenever feasible, consultants or engineers are engaged to assist in feasibility, planning and pre-design.

7. AGENCY CAPITAL BUDGET PROJECTS DURING THE LAST SIX YEARS (1990-1995):

- The Coral Reef Exhibit was successfully completed in 1991 at a cost of \$2.5 million. The sources of funding for this project were \$750 thousand from the General Fund, \$750 thousand from private gifts and the \$1 million from the MZG special revenue funds.
- The new Bird Amphitheater opened in 1992 at a cost of \$2.6 million and was funded by \$350 thousand from the General Fund, \$1.8 million

from private gifts and \$450 thousand from the MZG special revenue fund.

- \$1.82 million was received in 1992 for roof replacement. That work was completed in F.Y. 1994. The MZG is paying 1/3 of the debt service and state General Fund the remaining 2/3.
- \$20.5 million in bonding was approved for the Marine Education Center during the F.Y. 1994 legislative session. This facility will house our bottlenose dolphins, a large shark exhibit, classrooms and public space available for after hours rentals. The MEC is scheduled to open in May, 1997. The MZG is repaying 100% of the debt service.
- \$1 million was received in 1994 for infrastructure and maintenance. \$392 thousand has been allocated to improving animal management areas and \$608 thousand to addressing water management issues.
- The MZG received CAPRA funds which totaled \$211 thousand in F.Y. 1991-96. These funds were used for code compliance and health/safety issues.

8. OTHER (OPTIONAL): None.

9. AGENCY CONTACT PERSON, TITLE, AND PHONE

Connie J. Braziel, Director of Operations
13000 Zoo Blvd.
Apple Valley, MN 55124
(612) 431-9303

AGENCY CAPITAL BUDGET BRIEF
Projects Summary
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form B

AGENCY: Minnesota Zoological Garden

*Matching funds of \$1,750 to be funded through Capital Campaign.

AGENCY CAPITAL BUDGET BRIEF**Form C****Facilities Summary****Fiscal Years 1996-2001****Dollars in Thousands (\$137,500 = \$138)****AGENCY: Minnesota Zoological Garden**

Agency Facility Information	F.Y. 1993 (Actual)	F.Y. 1994 (Actual)	F.Y. 1995 (Actual)	F.Y. 1996-97 (Estimated)	1996 Session (Requested)
Gross Square Footage of State Owned Buildings (in 000s)	317,400	327,400	327,400	367,400	372,400
Leased Square Footage (in 000s)	0	0	0	0	0

Agency Operating Budgets	F.Y. 1993 (Actual)	F.Y. 1994 (Actual)	F.Y. 1995 (Budgeted)	F.Y. 1996 (Budgeted)	F.Y. 1997 (Budgeted)
Operating Repair and Betterment Account(s)	\$ 555	\$ 512	\$ 510	\$ 468	\$ 468
Operating Maintenance Account(s)	\$ 3,281	\$ 3,281	\$ 3,281	\$ 3,281	\$ 3,281
Lease Payments	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

Agency Capital Budgets	F.Y. 1990-91	F.Y. 1992-93	F.Y. 1994-95
Agency CAPRA Allocations (from Dept. of Admin.)	\$ 20	\$ 26	\$ 165
HEAPRA Allocations (for higher education systems only)	\$	\$	\$

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AGENCY CAPITAL BUDGET REQUEST
Building Project Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-1

AGENCY: Minnesota Zoological Garden
PROJECT TITLE: Roadways and Pathways

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$6,050

STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$6,034

STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$391

LOCATION (CAMPUS, CITY, COUNTY): 13000 Zoo Boulevard, Apple Valley,
Dakota County

AGENCY PRIORITY (for projects in the 1996 session only):

1 of 2 requests

1. PROJECT DESCRIPTION:

In 1974 construction began on the Minnesota Zoo located on 500 acres of property in the suburb of Apple Valley. Over the past 20 years attendance at the Zoo has steadily increased to a situation today where the infrastructure is being used beyond its capacity. The Zoo has essentially become a small city with inherent operating, maintenance and capital investment needs that need to be met to continue the successful venture initiated in the mid-70s. Without an infusion of dollars to improve the infrastructure, serious deficiencies in the life safety and program expansion aspects of the Zoo will occur. The project that is being proposed within this budget request will focus on the roadways, parking lots, pathways, and public plaza areas that will handle 5 million people over the next 5-year period.

The Minnesota Zoo currently has approximately 1,645,000 square feet of asphalt surfacing located in a variety of areas (38 acres of land). Attachment #1 is a map of the Zoo property which describes the pavement area locations. The following table describes the categories and quantities of the focused infrastructure:

Roadways	375,000 square feet	aver. 20-foot width
Parking Lots	1,100,000 square feet	2,700 parking stalls
Pathways	70,000 square feet	aver. 10-foot width
Public plaza areas	100,000 square feet	

Because of limited funds for preventative maintenance and the intense use of these pavement areas for the past 2 decades, all of the asphalt needs corrective action taken in some form or another. There has never been a pavement maintenance program for this infrastructure during the life of the Zoo. As a result, improvements needing immediate attention include activities that vary from sealcoating and overlay to complete reconstruction. In many areas, widening of the pathways and roadways is necessary due to the increased volume of traffic using the infrastructure.

When the zoo was built most of the roadways and pathways were constructed for *light duty* use only. The roadway width and cross section are not able to handle the additional traffic volume and loads due to the continued growth and operational needs we have experienced over the years. We anticipate this situation worsening as public demand on the infrastructure continues to grow.

As part of this project, concrete curbing needs to be installed in all areas visible to the public and where we are experiencing erosion to the roadway sub-base. This curbing is necessary and instrumental in protecting the asphalt edge from unnecessary deterioration, extending the lifespan of roadways for many years and channeling storm water runoff. With the exception of new construction, concrete curbing has not been used on the Zoo property in the past. Studies that have been completed by several cities throughout Minnesota indicate that concrete curbing will extend the pavement life well beyond the investment cost of the curb improvement. Additionally, maintenance costs are significantly reduced and esthetics are improved.

A key aspect of this proposal is to address the increasing demand for adequate public parking on the Zoo site. With the planned increase in attendance due to expansion of our exhibits, the need to provide parking will become acute. Attachment #2 is a table that includes the existing and required number of parking stalls based upon attendance at the Zoo, current and projected through the year 2016. The table shows the attendance by month, week and peak day so that the observer can view the vehicles entering the Zoo and correlate these numbers with the required parking stalls needed to service these visitors.

Attachment #3 is a graphic that displays attendance at the Zoo based upon the table shown in Attachment #2. It also demonstrates the projected program expansion data in the next couple of years including the increased

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-1

program expansion data in the next couple of years including the increased parking capacity that will be needed to handle the attendance increases expected as the Marine Education Center and the large screen theater open in 1997 and the Children's Farm opens in 1998.

An additional aspect of this project relates directly to Life Safety. In addition to asphalt and curbing, lighting is needed in the main entries, public walkways and plaza areas where the public will congregate. The zoo was originally built without any outdoor lighting. Only recently have we been able to add lights to a few key areas to meet our minimum needs. In order to meet the required Uniform Building Code (UBC) standards, lighting in all parking lots, entries, outdoor walkways and plaza areas is necessary. A key provision of the lighting proposal is to increase the safety and security of visitors, staff and the overall premises. With the increase in the amount of nighttime activities and the huge investment in Zoo facilities, lighting of the property for life safety is becoming a critical need.

The \$6.05 million requested in this biennium will provide for the design and construction necessary for improvements to roadways, parking lots, pathways, public areas, and lighting discussed within this narrative. Listed below in an estimated cost breakdown for this part of the project.

Design	\$ 490
Construction Management	340
Roads, Paths and Lots	3,300
Concrete Curbing	300
Outdoor Lighting	650
Construction Contingency	420
Inflation Multiplier	550
 Total	 \$6,050

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

The increasing attendance at the Minnesota Zoo is a trend that we have every reason to believe will continue for the next decade. We have plans for increasing educational opportunities, entrepreneurial efforts and new exhibits.

In addition, our sales department is projecting an ever increasing demand for after hours events. All of these efforts will result in an increase in the number of visitors to the Minnesota Zoo. This number of visitors will increase both vehicular and pedestrian traffic in our facility. This issue of improvements and additions to the roadways, parking lots, pathways, public areas and lighting is an integral part of our infrastructure, and must be addressed immediately to keep pace with this increased demand. Attachments #2 and #3 demonstrate the growth of the attendance and the need for additional capacity of facilities such as parking lot capacity.

The benefits of this project are many. We will be able to preserve and upgrade our infrastructure, meet increased public demand on the facility, comply with current building code standards and provide a safe and secure environment for visitors and staff alike.

3. IMPACT ON AGENCY OPERATING BUDGET (FACILITIES NOTE):

This project has not previously been funded. All repairs have been funded through the zoo's repair and betterment account. In 1995, funds to improve the pavements in the Zoo totaled less than \$50 thousand. If these improvements are completed in 1996 and 1997, the maintenance and operating expenses will be able to continue near this level of expenditures. Without this appropriation, it is expected that a significant increase in the maintenance funding of "stop-gap" improvements will become necessary. Because of all the other Zoo demands over the past several years, the infrastructure improvements have been given a lower budget priority. Life safety, program expansion and maintenance conditions have raised these items into a position with a high degree of priority.

Attachment #1 is a map which demonstrates the condition of the pavement and the year of the projected improvements. They have been prioritized to coincide with the program expansion and attendance increases expected during the next few years. Seven categories of existing pavement conditions are shown with the years of the projected improvements noted. Assuming the appropriations are granted, this priority schedule will guide the future improvements for the Zoo's pavement infrastructure.

**AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont'd.)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)**

4. PREVIOUS PROJECT FUNDING:

This project has been deferred in the past due to lack of funding. Alternative funding for infrastructure repair and upgrading is not available. If we are unable to correct this situation, our roadways, parking lots and walkways will become inordinately expensive to maintain in the short term. In the long term it will cost more each year the project is delayed because of continued deterioration. A predesign document, paid for from operating funds, has been produced.

5. OTHER CONSIDERATIONS (OPTIONAL):

Attachment #4 is a chart that breaks down the appropriation request into Life Safety, Program Expansion, and Maintenance funding categories.

6. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Connie J. Braziel, Director of Operations
13000 Zoo Blvd.
Apple Valley, MN 55124
(612)431-9303

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-2

PROJECT TYPE (check all that apply):

- Renewal of existing facilities or assets (no program expansion).
- Adaption of an existing facility for code-required changes, handicapped access or legal liability purposes.
- Adaption of an existing facility for new, expanded or enhanced uses.
- Construction or acquisition of a new facility for new, expanded or enhanced programs or for replacement purposes.

PROJECT CHARACTERISTICS (check all that apply):

- Safety/liability
- Asset preservation
- Code compliance
- Handicapped access (ADA)
- Hazardous materials
- Enhancement of existing programs/services
- Expansion of existing programs/services
- New programs/services
- Co-location of facilities
- Operating cost reductions and efficiencies
- Other (specify):

INFORMATION TECHNOLOGY AND TELECOMMUTING:

Information technology plan:

submitted to IPO	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> N/A
approved by IPO	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> N/A

Telecommuting plan or statement of non-practicability:

submitted to IPO	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> N/A
approved by IPO	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> N/A

AGENCY BUILDING NAME AND #:

STATE-WIDE BUILDING ID #:

FACILITY SQUARE FOOTAGE:

Existing Building

N/A Gross Sq. Ft.

Project Scope

<input type="checkbox"/> N/A	Gross Sq. Ft. Demolished
<input type="checkbox"/> N/A	Gross Sq. Ft. Decommissioned
<input type="checkbox"/> N/A	Gross Sq. Ft. Renewal or Adaption
<input type="checkbox"/> N/A	Gross Sq. Ft. New Construction

Final Project Size

N/A Gross Sq. Ft.

Are there any space utilization standards that apply to your agency and this project?

Yes No.

If so, please cite appropriate sources:

CHANGES IN STATE OPERATING COSTS (Facilities Note):

	F.Y. 1996-97	F.Y. 1998-99	F.Y. 2000-01
Change in Compensation	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-
Change in Bldg. Oper. Expenses . . .	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-
Change in Lease Expenses	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-
Change in Other Expenses	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-
Total Change in Operating Costs . . .	\$ <u> </u> -0-	\$ <u> </u> -0-	\$ <u> </u> -0-

Other:

Change in F.T.E. Personnel	0	0	0
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AGENCY CAPITAL BUDGET REQUEST

Building Project Detail (Cont.'d)

Fiscal Years 1996-2001

Dollars in Thousands (\$137,500 = \$138)

Form D-3

TOTAL PROJECT COSTS (ALL YEARS/ALL FUNDING SOURCES):	Project Costs (all prior years)	Project Costs (F.Y. 1996-97)	Project Costs (F.Y. 1998-99)	Project Costs (F.Y. 2000 and beyond)
1. Site and building preparation				
Site acquisition		\$ -0-		
Existing building acquisition		\$ -0-		
Other acquisitions costs:				
Environmental studies		\$ -0-		
Geotechnical survey		\$ -0-		
Property survey		\$ -0-		
Historic Preservation		\$ -0-		
Other (specify)		\$ -0-		
	1. Subtotal	\$ -0-	\$ -0-	\$ -0-
	2. Subtotal	\$ 27	\$ -0-	\$ -0-
2. Predesign fees				
3. Design fees				
Schematic design		\$ -0-		
Design development		\$ 490		
Contract documents		\$ -0-		
Construction		\$ -0-		
	3. Subtotal	\$ -0-	\$ 490	\$ 471
4. Administrative costs and professional fees				
Project management by consultant		\$ -0-		
Construction management		\$ 340		
Construction contingency		\$ 420		
Other (specify)		\$ -0-		
	4. Subtotal	\$ -0-	\$ 760	\$ 707
5. Site and building construction				
On site construction		\$ 4,250		
Off site construction		\$ -0-		
Hazardous material abatement		\$ -0-		
Other (specify)		\$ -0-		
	5. Subtotal	\$ -0-	\$ 4,250	\$ 3,979
6. Furniture, Fixtures and Equipment		\$ -0-	\$ -0-	\$ -0-
7. Occupancy		\$ -0-	\$ -0-	\$ -0-
8. Percent for art		\$ -0-	\$ -0-	\$ -0-
	6. Subtotal	\$ -0-	\$ -0-	\$ -0-
	7. Subtotal	\$ -0-	\$ -0-	\$ -0-
	8. Subtotal	\$ -0-	\$ -0-	\$ -0-
	Total without inflation (1 through 8)	\$ 27	\$ 5,500	\$ 5,157
9. Inflation multiplier <u>0.100</u>		\$ -0-	\$ 550	\$ 877
Mid-point of construction (mo./yr.) <u>7/97</u>				
	9. Subtotal	\$ -0-	\$ 6,050	\$ 6,034
	Total with inflation (1 through 9)	\$ 27	\$ 6,050	\$ 391

TOTAL PROJECT COSTS (all capital costs, all years)

\$ 12,502

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-4

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ 27
State funding received	\$ 27
Federal funding received	\$ -0-
Local government funding received	\$ -0-
Private funding received	\$ -0-

For 1996 Session (F.Y. 1996-97)

State funding requested	\$ 6,050
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-

For 1998 Session (F.Y. 1998-99)

State Funding Estimate	\$ 6,034
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-

For 2000 Session (F.Y. 2000-01)

State Funding Estimate	\$ 391
Federal funding	\$ -0-
Local government funding	\$ -0-
Private funding	\$ -0-

Total Project Costs (all years)	\$ 12,502
State funding requested (all years)	\$ 12,502
Federal funding (all years)	\$ -0-
Local government funding (all years)	\$ -0-
Private funding (all years)	\$ -0-

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ _____ Fund _____
 Bonds: \$ 6,050 Tax Exempt Taxable _____

STATE DEBT SERVICE PAYMENTS (Check all that apply):

General Fund % of total 100
 User Financing % of total _____
Source of funds _____

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-5

DEPARTMENT OF ADMINISTRATION ANALYSIS: Until the predesign work is completed and receives a positive recommendation, the information submitted is considered preliminary. The project scope, costs, and schedule could change following predesign completion. The schedule, as submitted, is dependent on space being vacated by the Science Museum. Therefore the projects are conceptually connected.

This request has been reviewed with an emphasis on cost planning, general scope of work, and schedule and is in general conformance with the capital budget requirements with the following observations: 1) Predesign costs (2.9%) are above the 0.25%-0.50% guidelines; 2) FFE costs were not indicated in the request.

The agency is asked to review their project request in association with these comments and make any appropriate amendments prior to legislative action on the bonding bill.

DEPARTMENT OF FINANCE ANALYSIS: Although this submission meets the Department of Finance criteria for project qualification, it is recommended that this project be deferred until the 1998 session.

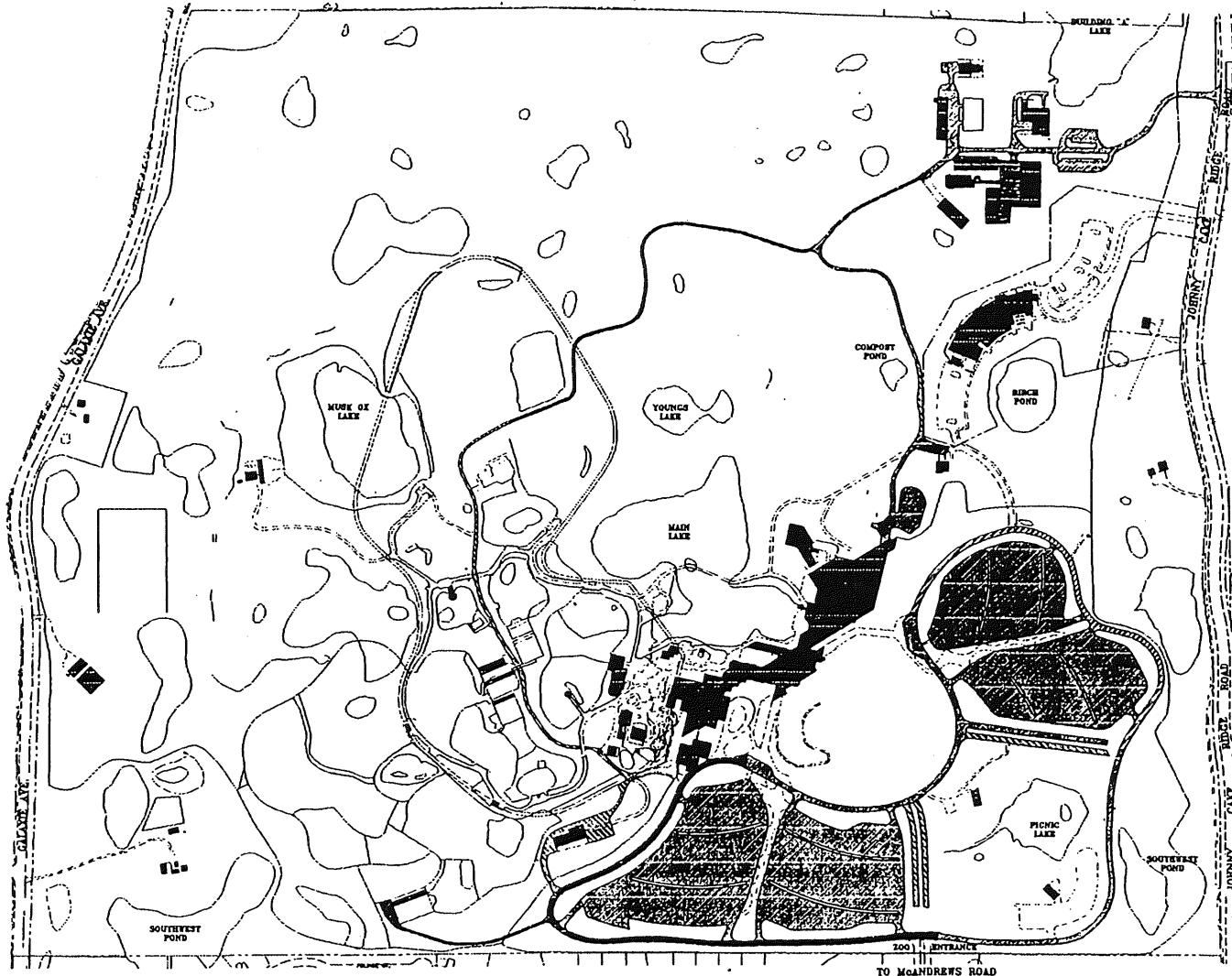
CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD (CAAPB) REVIEW: The CAAPB has been involved for over eight years in the preliminary planning and siting of the Labor Interpretive Center. We had been prepared to move into the design competition for the program at Cleveland Circle when a number of obstacles to a successful program and funding led us to reconsider as an alternative re-use of the Science Museum East Building, provided the Science Museum secures funding for a new riverfront facility.

The CAAPB is thus supportive of the request for the new Labor Interpretive Center, either as a re-use of the Science Museum building or, if necessary, at the original site, for which the budget would have to be increased.

GOVERNOR'S RECOMMENDATION: The Governor does not recommend capital funds for this project for the 1996 session. As indicated in the agency request, construction would not begin until F.Y. 1999. Also, the availability of the preferred site, the East Building of the Science Museum, is uncertain at this time. The agency should resubmit its request for inclusion in the Governor's 1998 capital budget.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	120
Safety Concerns	0/35/70/105	0
Customer Services/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	0
Asset Management	0/20/40/60	0
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	50
Total		340

	Schematic		Design	Const.	
	Predesign	Design	Devel.	Doc.	Const.
Prior Funding:	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Agency Request:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Governor's Recommendation:	<input type="checkbox"/>				



DRAWING NAME: C:\DWG\95101\FIGS\CBR-ATT1.DWG

REVISIONS



6110 Blue Circle Dr.
Suite #100
Minneapolis, MN
55433
(612) 933-0972
Fax: (612) 933-1163

I hereby certify that the plan was prepared by me or under my direct supervision and that I am a duly registered Professional Engineer under the laws of the State of Minnesota.

DATE: _____ PAGE NO. _____

EC-248 JMH
LEADS SAJ
CHECKED DE Oce
PROJECT NO. 95101

MINNESOTA ZOOLOGICAL GARDEN
13000 ZOO BOULEVARD
APPLE VALLEY, MN 55124
(612)431-9446

MINNESOTA ZOOLOGICAL GARDEN
CAPITAL BUDGET
REQUEST

ATTACHMENT-1
EXISTING PAVEMENT
CONDITION RATINGS

LATEST REVISION DATE: 10/23/95

DET
10/24/95

REV
-1-

Attachment #2

PROJECTED PEAK DAY PARKING REQUIREMENTS BASED UPON
MINNESOTA ZOOLOGICAL GARDEN ATTENDANCE PROJECTIONS; 1996-2016¹⁾

Fiscal Year	Projected Fiscal Year Attendance ²⁾	Projected Peak Month Attendance	Projected Average Peak Week Attendance	Projected Average Peak Day Attendance	Projected Average Peak Day Entering Vehicles	Required Number of Parking Stalls
1996	1,150,000	218,500	49,339	12,828	4,138	2,276
1997	1,358,637	258,141	58,290	15,155	4,889	2,689
1998	1,467,520	278,829	62,961	16,370	5,281	2,904
1999	1,506,070	286,153	64,615	16,800	5,419	2,981
2000	1,546,312	293,799	66,342	17,249	5,564	3,060
2001	1,588,370	301,790	68,146	17,718	5,715	3,144
2002	1,632,383	310,153	70,034	18,209	5,874	3,231
2003	1,683,624	319,889	72,233	18,781	6,058	3,332
2004	1,713,490	325,563	73,514	19,114	6,166	3,391
2005	1,743,953	331,351	74,821	19,454	6,275	3,451
2006	1,775,026	337,255	76,154	19,800	6,387	3,513
2007	1,806,720	343,277	77,514	20,154	6,501	3,576
2008	1,839,047	349,419	78,901	20,514	6,618	3,640
2009	1,872,022	355,684	80,316	20,882	6,736	3,705
2010	1,905,655	362,074	81,759	21,257	6,857	3,771
2011	1,939,962	368,593	83,231	21,640	6,981	3,839
2012	1,974,954	375,241	84,732	22,030	7,107	3,909
2013	2,010,647	382,023	86,263	22,428	7,235	3,979
2014	2,047,053	388,940	87,825	22,835	7,366	4,051
2015	2,084,188	395,996	89,418	23,249	7,500	4,125
2016	2,122,065	403,192	91,043	23,671	7,636	4,200

¹⁾ Based on the following assumptions:

Peak month percentage of FY attendance = 19%

Percentage of weekly attendance on peak day = 26%

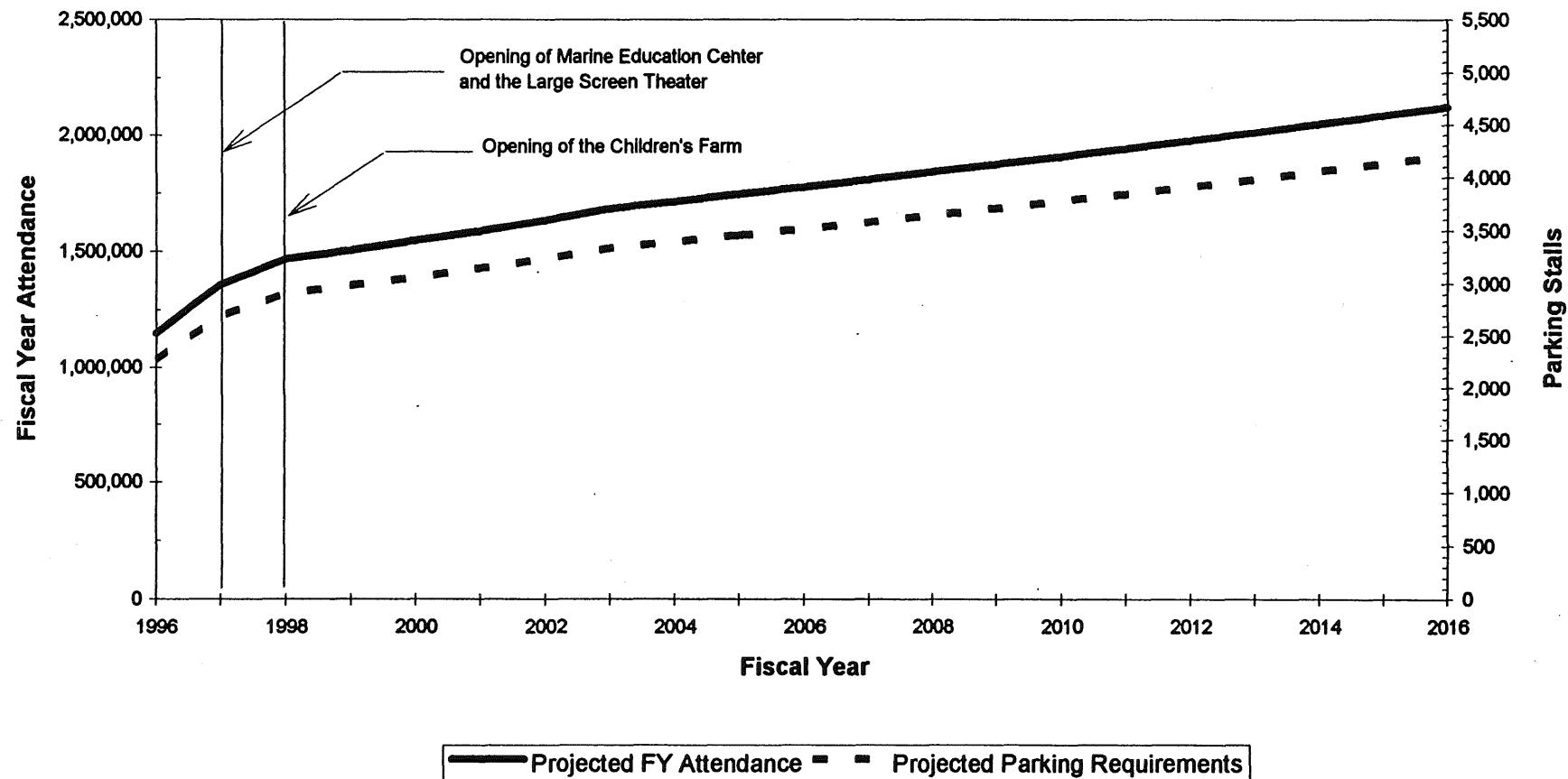
Average peak day vehicle occupancy = 3.1

Percentage of entering vehicles on site at peak time (1:00 to 2:00 p.m.) = 55%

²⁾ Source: Minnesota Zoological Garden.

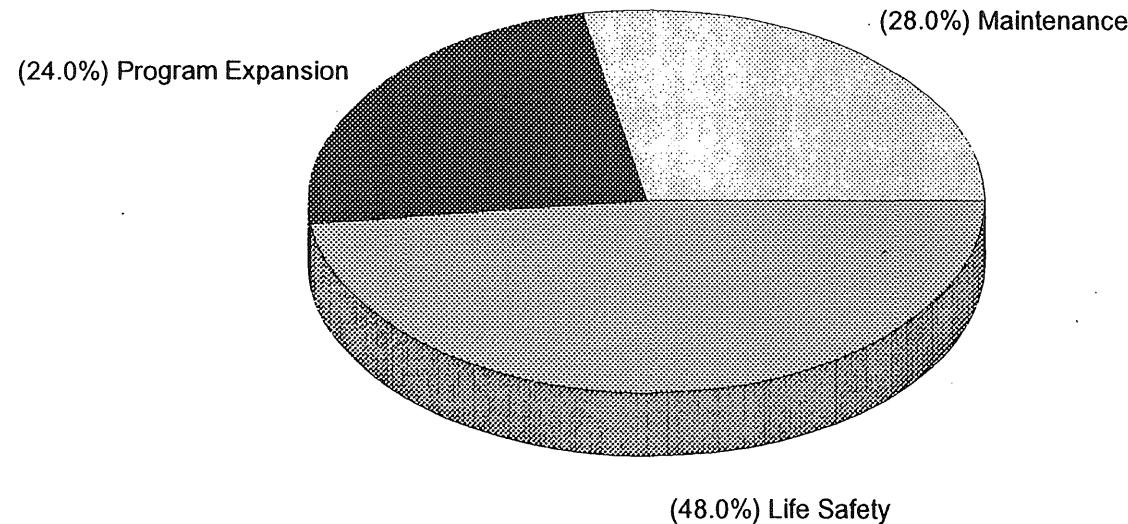
Attachment #3

**PROJECTED FISCAL YEAR ATTENDANCE AND PEAK DAY PARKING
REQUIREMENTS AT THE MINNESOTA ZOOLOGICAL GARDEN: 1996 - 2016**



Attachment #4

Minnesota Zoological Garden



Breakdown of Total Project Costs

**Capital Budget Request
Fiscal Years 1996-1997
\$6,050,000**

September 1995

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AGENCY CAPITAL BUDGET REQUEST
Building Project Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-1

AGENCY: Minnesota Zoological Garden (MZG)
PROJECT TITLE: Children's Farm

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$1,750

STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$-0-

STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$-0-

LOCATION (CAMPUS, CITY, COUNTY): 13000 Zoo Boulevard, Apple Valley,
Dakota County

AGENCY PRIORITY (for projects in the 1996 session only):

2 of 2 requests

1. PROJECT DESCRIPTION:

The Children's Farm exhibit will feature domestic farm animals in an interactive educational environment. The exhibit will be constructed as a family farmstead including a farmhouse, dairy barn, sheep and goat shed with contact yard, pig barn and chicken house as the main components, with additional features such as grainery, windmill, machine shed and grain elevator added as funding allows.

The Children's Farm will be a place to learn about and appreciate the Minnesota family farm heritage and to develop a sense of stewardship for the land, its ecological systems and its creatures. The variety of experiences available will appeal to young children, school aged students and the general public.

In the Spring 1995 the MZG completed the design development process for this exhibit. Groundbreaking for phase 1 of this exciting and educational new exhibit is anticipated to occur in 1996. Phase 2 will follow as funding allows.

The \$1.75 million requested in this biennium will be matched by \$1.75 million from the MZG Capital Campaign. These funds will provide for the design and construction of the Children's Farm. Listed below is an estimated cost breakdown of this project.

Design	\$ 307
Construction	2,275
FF&E	603
Contingency	280
1% Art	35

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

The need to expand our facility, increase the educational and recreational opportunities and offer new exhibits is driving our request for funding the Children's Farm. We are creating a new learning experience for children of all ages. We are certain our visitors will be delighted with the chance to observe and interact with the farm animals, to learn of their lifecycles and to experience the Minnesota family farm heritage.

The benefits of this project will be realized by all users of the zoo. This exhibit is another investment that will keep the MZG among the best zoos in the country.

3. IMPACT ON AGENCY OPERATING BUDGET (FACILITIES NOTE):

The MZG is projecting an \$180 thousand increase in operating costs over and above the operating cost of the current Children's Zoo, which the farm exhibit is replacing. The zoo anticipates that this increase in costs will be funded through increased earned revenues.

4. PREVIOUS PROJECT FUNDING: N/A

5. OTHER CONSIDERATIONS (OPTIONAL):

A design development document by architects contracted to research and develop the concept of the farm project is available from the Zoo upon request. This document will also be used by capital campaign fund raisers to solicit matching funds.

6. PROJECT CONTACT PERSON, TITLE, AND PHONE: Connie J. Braziel, Operations Director, 13000 Zoo Blvd., Apple Valley, MN 55124 (612)431-9303

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-2

PROJECT TYPE (check all that apply):

- Renewal of existing facilities or assets (no program expansion).
- Adaption of an existing facility for code-required changes, handicapped access or legal liability purposes.
- Adaption of an existing facility for new, expanded or enhanced uses.
- Construction or acquisition of a new facility for new, expanded or enhanced programs or for replacement purposes.

PROJECT CHARACTERISTICS (check all that apply):

- Safety/liability
- Asset preservation
- Code compliance
- Handicapped access (ADA)
- Hazardous materials
- Enhancement of existing programs/services
- Expansion of existing programs/services
- New programs/services
- Co-location of facilities
- Operating cost reductions and efficiencies
- Other (specify):

INFORMATION TECHNOLOGY AND TELECOMMUTING:

Information technology plan:

submitted to IPO	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> N/A
approved by IPO	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> N/A

Telecommuting plan or statement of non-practicability:

submitted to IPO	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> N/A
approved by IPO	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> N/A

AGENCY BUILDING NAME AND #: Minnesota Children's Farm

STATE-WIDE BUILDING ID #:

FACILITY SQUARE FOOTAGE:

Existing Building

0 Gross Sq. Ft.

Project Scope

<input type="checkbox"/> 0	Gross Sq. Ft. Demolished
<input type="checkbox"/> 0	Gross Sq. Ft. Decommissioned
<input type="checkbox"/> 0	Gross Sq. Ft. Renewal or Adaption
<input type="checkbox"/> 5,000	Gross Sq. Ft. New Construction

Final Project Size

5,000 Gross Sq. Ft.

Are there any space utilization standards that apply to your agency and this project?

Yes No.

If so, please cite appropriate sources:

CHANGES IN STATE OPERATING COSTS (Facilities Note):

	F.Y. 1996-97	F.Y. 1998-99	F.Y. 2000-01
Change in Compensation	\$ 140	\$ 280	\$ 280
Change in Bldg. Oper. Expenses	\$ 40	\$ 80	\$ 80
Change in Lease Expenses	\$ -0-	\$ -0-	\$ -0-
Change in Other Expenses	\$ -0-	\$ -0-	\$ -0-
Total Change in Operating Costs	<u>\$ 180</u>	<u>\$ 360</u>	<u>\$ 360</u>
Other:			
Change in F.T.E. Personnel	4	4	4

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-3

TOTAL PROJECT COSTS (ALL YEARS/ALL FUNDING SOURCES):	Project Costs (all prior years)	Project Costs (F.Y. 1996-97)	Project Costs (F.Y. 1998-99)	Project Costs (F.Y. 2000 and beyond)
1. Site and building preparation				
Site acquisition		\$ -0-		
Existing building acquisition		\$ -0-		
Other acquisitions costs:				
Environmental studies		\$ -0-		
Geotechnical survey		\$ -0-		
Property survey		\$ -0-		
Historic Preservation		\$ -0-		
Other (specify)		\$ -0-		
	1. Subtotal	\$ -0-	\$ -0-	\$ -0-
2. Predesign fees	2. Subtotal	\$ -0-	\$ -0-	\$ -0-
3. Design fees				
Schematic design		\$ -0-		
Design development		\$ -0-		
Contract documents		\$ -0-		
Construction		\$ 307		
	3. Subtotal	\$ -0-	\$ 307	\$ -0-
4. Administrative costs and professional fees				
Project management by consultant		\$ -0-		
Construction management		\$ -0-		
Construction contingency		\$ 280		
Other (specify)		\$ -0-		
	4. Subtotal	\$ -0-	\$ 280	\$ -0-
5. Site and building construction				
On site construction		\$ 2,275		
Off site construction		\$ -0-		
Hazardous material abatement		\$ -0-		
Other (specify)		\$ -0-		
	5. Subtotal	\$ -0-	\$ 2,275	\$ -0-
6. Furniture, Fixtures and Equipment	6. Subtotal	\$ -0-	\$ -0-	\$ -0-
7. Occupancy	7. Subtotal	\$ -0-	\$ -0-	\$ -0-
8. Percent for art	8. Subtotal	\$ -0-	\$ -0-	\$ -0-
	Total without inflation (1 through 8)	\$ -0-	\$ 3,500	\$ -0-
9. Inflation multiplier	9. Subtotal	\$ -0-	\$ -0-	\$ -0-
Mid-point of construction (mo./yr.)	Total with inflation (1 through 9)	\$ -0-	\$ 3,500	\$ -0-
			TOTAL PROJECT COSTS (all capital costs, all years)	\$ 3,500

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-4

FUNDING SOURCES:

Previous Project Funding (all prior years)	\$ <u> -0- </u>
State funding received	\$ <u> -0- </u>
Federal funding received	\$ <u> -0- </u>
Local government funding received	\$ <u> -0- </u>
Private funding received	\$ <u> -0- </u>

For 1996 Session (F.Y. 1996-97)

State funding requested	\$ <u> 1,750 </u>
Federal funding	\$ <u> -0- </u>
Local government funding	\$ <u> -0- </u>
Private funding	\$ <u> 1,750 </u>

For 1998 Session (F.Y. 1998-99)

State Funding Estimate	\$ <u> -0- </u>
Federal funding	\$ <u> -0- </u>
Local government funding	\$ <u> -0- </u>
Private funding	\$ <u> -0- </u>

For 2000 Session (F.Y. 2000-01)

State Funding Estimate	\$ <u> -0- </u>
Federal funding	\$ <u> -0- </u>
Local government funding	\$ <u> -0- </u>
Private funding	\$ <u> -0- </u>

Total Project Costs (all years)	\$ <u> 3,500 </u>
State funding requested (all years)	\$ <u> 1,750 </u>
Federal funding (all years)	\$ <u> -0- </u>
Local government funding (all years)	\$ <u> -0- </u>
Private funding (all years)	\$ <u> 1,750 </u>

PROPOSED METHOD(S) OF 1996 STATE FINANCING (check all that apply):

Cash: \$ _____ Fund _____
 Bonds: \$ 1,750 Tax Exempt _____ Taxable _____

STATE DEBT SERVICE PAYMENTS (Check all that apply):

General Fund % of total 100
 User Financing % of total _____
Source of funds _____

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail (Cont.'d)
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

DEPARTMENT OF ADMINISTRATION ANALYSIS:

This request is for design and construction. Until the predesign work is completed and receives a positive recommendation, the information is considered preliminary. The project scope, costs, and schedule could change following predesign completion.

This request has been reviewed with an emphasis on cost planning, general scope of work, and schedule and is in general conformance with the capital budget requirements with the following observations:

1. Design costs (13.5%) are above the 6%-9% range for new construction.
2. FFE costs were not indicated in the request.
3. Inflation was not included and should be calculated.
4. Construction contingency (12%) is above the 2%-3% guidelines.

The agency is asked to review their project request in association with these comments and make appropriate amendments prior to legislative action on the bonding bill.

DEPARTMENT OF FINANCE ANALYSIS:

This project would be constructed with matching funds and received points because of that and for its important customer service value. Overall, it did not score as high as the Roads and Pathways request. While it is an attractive and worthy project, it is considered to be of less strategic importance when compared to having adequate roadways and pathways. This project also would not rank as high as a project like the Marine Education Center which, when constructed, will become a major theme and focus for the zoo.

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend capital funds for this project. Instead, the Governor recommends the Zoo pursue this project with private funding sources.

Statewide Strategic Score		
Criteria	Values	Points
Critical Life Safety Emergency	700/0	0
Critical Legal Liability	700/0	0
Prior Binding Commitment	700/0	0
Strategic Linkage	0/40/80/120	80
Safety Concerns	0/35/70/105	0
Customer Services/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	75
User and Non-State Financing	0-100	50
Asset Management	0/20/40/60	20
Operating Savings or Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	50/0	0
Total		295

	Predesign	Schematic Design	Design Devel.	Const. Doc.	Const.
Prior Funding:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Agency Request:	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Governor's Recommendation:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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AGENCY CAPITAL BUDGET REQUEST
Non-Building Program Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

AGENCY: Minnesota Zoological Garden (MZG)
PROJECT TITLE: Water Management

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$-0-

STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$700

STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$-0-

LOCATION (CAMPUS, CITY, COUNTY): 13000 Zoo Boulevard, Apple Valley,
 Dakota County

AGENCY PRIORITY (for projects in the 1996 session only):

N/A of N/A requests

1. PROJECT DESCRIPTION:

Since the inception of the zoo, water management has been a concern. Twelve DNR protected lakes and wetlands and other non-regulated ponds and wetlands exist on the 500 plus acres of zoo property. Over the years there has been continual water quality and quantity problems develop. The water management request will allow the zoo to economically and effectively manage the water issues of the site including a composting program.

The MZG is currently initiating a project concentrated on the Main Lake which will enable us to deal with the issues of lake level and water quality of this body of water. It is now crucial that we deal with issues of storm water runoff, water quality and the establishment of best management procedures to protect the remaining lakes, ponds and wetlands. The zoo also has a commitment to the Department of Natural Resources (MDNR) in the form of a MDNR permit to establish an overall wetland and hydrological comprehensive plan for all bodies of water on the zoo property.

The MZG is also seeking partnership arrangements with other governmental bodies such as Dakota County to research common issues affecting all parties.

The \$700 thousand requested will allow the continuation of design and construction of the various water management projects needed to protect our resources.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

In order to achieve the MZG's mission to **Strengthen the Bond Between People and the Living Earth**, we must manage our water resources responsibly. As a conservation leader, we are committed to providing a clean, healthy and safe environment for visitors, staff and our invaluable animal and plant collection.

There is also a financial incentive for developing water management plans that will eliminate the need for disposing excess water through the sanitary sewer system, which is very costly.

3. PREVIOUS PROJECT FUNDING:

The 1994 legislature authorized \$1 million in bonding for infrastructure and maintenance. \$600 thousand is dedicated to water management issues related to the Main Lake.

4. OTHER CONSIDERATIONS (OPTIONAL):

None.

5. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Connie J. Braziel, Director of Operations
 13000 Zoo Blvd.
 Apple Valley, MN 55124
 (612)431-9303

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-1

AGENCY: Minnesota Zoological Garden
PROJECT TITLE: Gateway to the Zoo

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$-0-
STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$6,000
STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$-0-

LOCATION (CAMPUS, CITY, COUNTY): 13000 Zoo Boulevard, Apple Valley,
Dakota County

AGENCY PRIORITY (for projects in the 1996 session only):

N/A of N/A requests

1. PROJECT DESCRIPTION:

The proposed new Gateway to the Zoo will create a vibrant new public core for entry, visitor amenities, classrooms and animal exhibits. The components of this project will be the new upper lobby, central hall, lower level concourse, classrooms, Zoolab and animal exhibit and holding areas. Plans also include an expanded retail area, office space and storage space.

The new second level entries will welcome visitors at the convergence of 2 pathways from the public parking areas. The current circuitous and confusing nature of the altered main entries will be addressed by providing a direct pathway to drop-off guests. Parking areas will serve as a plaza-like transition area between the outdoors and the remodeled upper and lower levels.

The new upper level will include admissions, guest services, first aid, restrooms, stroller and wheelchair rental and lockers. The upper and lower level will be connected by a newly enclosed ramp providing a broad vista of the Main Lake and the planned African Lion Exhibit.

The new lower level concourse will be anchored at each end by the Tropics Building and the new Marine Education Center. This area will include an expanded space for retail to enhance the zoo's entrepreneurial mission, classrooms, an expanded Zoolab, restrooms, enhanced animal exhibit areas, office and storage spaces and spaces for other support staff.

This project will provide improved visitor amenities, expanded opportunities for education and recreation and create much needed space for support services.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

The need to expand our facility, increase the educational and recreational opportunities, and offer new visitor amenities is driving our request for funding the Gateway to the Zoo. We are certain our visitors will be delighted with the improvements in our service and facility.

The benefits of this project will be realized by all users of the zoo. This exhibit is another investment that will keep the MZG among the best zoos in the country.

3. IMPACT ON AGENCY OPERATING BUDGET (FACILITIES NOTE):

Impact on the agency operating budget is being analyzed currently and specific data is unavailable at the present time.

4. PREVIOUS PROJECT FUNDING:

None.

5. OTHER CONSIDERATIONS (OPTIONAL):

None.

6. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Connie J. Braziel, Director of Operations
13000 Zoo Blvd.
Apple Valley, MN 55124
(612)431-9303

AGENCY CAPITAL BUDGET REQUEST

Form D-1

Building Project Detail

Fiscal Years 1996-2001

Dollars in Thousands (\$137,500 = \$138)

AGENCY: Minnesota Zoological Garden (MZG)

PROJECT TITLE: Bird Holding

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$-0-

STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$780

STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$-0-

LOCATION (CAMPUS, CITY, COUNTY): 13000 Zoo Boulevard, Apple Valley, Dakota County

AGENCY PRIORITY (for projects in the 1996 session only):

N/A of N/A requests

1. PROJECT DESCRIPTION:

This request is for a 10,000 square foot bird holding building to house our avian collection. Since the Minnesota Zoo opened, the avian collection has grown from 94 species and 327 individuals to 124 species and a total of 672 individuals. No new facilities have been built for this collection and as a result space is being used that was not designed for bird holding. This causes stress on other animal programs, extra work for staff, poor avian reproduction and increased bird mortality because of the lack of adequate holding.

The avian collection is invaluable. Many of the species are listed as endangered or threatened in the wild and many of the Southeast Asian species can no longer be acquired from the wild at any price.

This new facility will provide adequate holding year round, have its own air handling system to address disease and quarantine issues and incubator and brooder facilities. With this new facility propagation will be better managed and more productive. We currently are unable to expand our avian collection any further. Without this facility not only will conservation programs such as the endangered Bali mynah propagation and Trumpeter swan restoration suffer or be eliminated, but exhibit programs cannot increase and may need to be curtailed without facility support.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

The mission of the Minnesota Zoo is to **Strengthen the Bond Between people and the Living Earth**. Our vision further states that the zoo is a conservation leader and educator. In order to continue to be successful in these roles it is necessary to have facilities that will support the need for the expansion of the avian collection. At present we do not have any off exhibit space to propagate species away from the busy exhibits. Instead of rearing birds that can be used for our programs and exhibits and sold to other institutions for their programs, we are often forced to buy birds for our program needs. Instead of being a leader in conservation, we are often in the position of being a consumer.

3. IMPACT ON AGENCY OPERATING BUDGET (FACILITIES NOTE):

There will be increased annual operating costs for this facility totalling approximately \$25 thousand. There will however, be staff efficiencies generated also as a result of this facility which we are unable to calculate at the present time; but we are confident they will occur. Tremendous time will be saved instead of traveling to numerous locations throughout the zoo site to care for various birds in make-shift holding areas. Because incubator and brooder areas will be designed more efficiently, staff also will reduce their time, again, instead of working in less than desirable conditions for both them and the avian collection.

4. PREVIOUS PROJECT FUNDING:

No previous funding.

5. OTHER CONSIDERATIONS (OPTIONAL): None.

6. PROJECT CONTACT PERSON, TITLE, AND PHONE:

Connie J. Braziel, Director of Operations
13000 Zoo Blvd.
Apple Valley, MN 55124
(612)431-9303

AGENCY CAPITAL BUDGET REQUEST
Building Project Detail
Fiscal Years 1996-2001
Dollars in Thousands (\$137,500 = \$138)

Form D-1

AGENCY: Minnesota Zoological Garden
PROJECT TITLE: Greenhouse

STATE APPROPRIATION REQUEST FOR 1996 SESSION: \$-0-

STATE APPROPRIATION ESTIMATE FOR 1998 SESSION: \$-0-

STATE APPROPRIATION ESTIMATE FOR 2000 SESSION: \$275

LOCATION (CAMPUS, CITY, COUNTY): 13000 Zoo Boulevard, Apple Valley,
Dakota County

AGENCY PRIORITY (for projects in the 1996 session only):

N/A of N/A requests

1. PROJECT DESCRIPTION:

Since the opening of the Minnesota Zoo 17 years ago the Horticulture Department has found it increasingly difficult to keep pace with needs of the Animal Management and Public Services staff. Services that were never planned for including annual flower beds in public areas, browse production for animals such as red pandas and increased production of tropical plant material for use in the 1.5 acre Asian Tropics exhibit have strained the existing greenhouse facility to the point where the plant collection is at a standstill. The present Lord and Burnam greenhouse, while considered a beautiful and unique structure, has proved inadequate and impractical because of its site and setup, for the production-like growing which is required by the ever-expanding zoo. At the same time it was cited by Boarman and Associates (although not included in its report: The Minnesota Zoo Maintenance and Improvement Study) as a structure that should be replaced because of the deterioration of the cement block base. Little or no maintenance has been done to the greenhouse over the last 17 years and the wear to the high-maintenance structure is making it difficult for staff to keep pace with increasing horticulture demands.

The \$275 thousand request will allow the expansion of a new 11,250 square feet growing facility. The increase in actual growth space from the existing 2,800 square feet to 9,000 square feet will allow adequate space for animal food production, increased floral production and collection improvements and enlargement.

2. PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC GOALS AND CAPITAL PLAN:

To achieve the Minnesota Zoo's mission to **Strengthen the Bond Between People and the Living Earth**, the zoo's strategic plan calls for the zoo to be a 1) conservation leader, 2) educator and 3) a recreational resource. A new greenhouse/growing facility would help meet all these needs, in a number of ways.

In the area of conservation, a new growing range would provide more room for our collection of endangered Southeast Asian orchids for which we are designated a Plant Rescue Station by the Department of the Interior. At this time there are plants which we are unable to accept because of space limitations. As an education provided, the zoo has many programs including Zoomobile and Zoolab which advocate a habitat-based conservation approach to their curriculum and are using a variety of zoo-greenhouse plants in their programs. These plants, such as tropical bromiliads and orchids require special care because of their variety and intensive use. As a recreational resource, the zoo is committed to providing a 4-season experience and a new greenhouse facility would provide ever-changing blooming plant material, both indoors and outdoors which will enhance the visitor experience.

3. IMPACT ON AGENCY OPERATING BUDGET (FACILITIES NOTE):

We anticipate that there would be some increase in energy usage with a new greenhouse facility, although not as much as might be expected. The existing structure is a single-pane glasshouse with very high heating costs and the improvements in greenhouse design and technology, over the past 17 years will show up as a lower per-square-foot operating costs. In addition, the increased size of the plant collection and production demands would probably require the hiring of a full-time greenhouse horticulturist.

4. PREVIOUS PROJECT FUNDING: N/A

5. OTHER CONSIDERATIONS (OPTIONAL): None.

6. PROJECT CONTACT PERSON, TITLE, AND PHONE: Connie J. Braziel, Director of Operations, 13000 Zoo Blvd., Apple Valley, MN 55124, (612)431-9303