Natural Resources — Projects Summary

($ in thousands)

Project Title	Priority Ranking	Funding Source	Project Requests for State Funds 2016	2018	2020
Asset Preservation	1	GO	$ 80,000	$ 80,000	$ 80,000
Building and Facilities Development	2	GO	$ 10,000	$ 10,000	$ 10,000
Flood Hazard Mitigation Grant Assistance Program	3	GO	$ 15,000	$ 20,000	$ 20,000
Dam Safety /Repair/Reconstruction /Removal	4	GO	$ 10,000	$ 5,000	$ 5,000
State Land Reforestation and Stand Improvement	5	GO	$ 6,000	$ 6,000	$ 6,000
Marsh Lake Restoration Project	6	GO	$ 1,900	$ 0	$ 0
Native Prairie Bank Acquisition and Development	7	GO	$ 8,000	$ 8,000	$ 8,000
Itasca State Park Renovation	8	GO	$ 10,000	$ 10,000	$ 0
WMA/AMA Acquisition and Development Pheasant Summit	9	GO	$ 20,000	$ 20,000	$ 20,000
State Park Campground Renovations	10	GO	$ 7,000	$ 7,000	$ 7,000
Park, State Recreation Area and Trail Development	11	GO	$ 14,000	$ 14,000	$ 14,000
Fish Hatchery Enhancement	12	GO	$ 5,500	$ 0	$ 0
Scientific and Natural Area Acquisition and Development	13	GO	$ 5,800	$ 5,800	$ 5,800
Groundwater Monitoring	14	GO	$ 5,000	$ 3,000	$ 3,000
State Forest Acquisition	15	GO	$ 2,000	$ 2,000	$ 2,000
Stream Restoration	16	GO	$ 5,900	$ 6,500	$ 3,500
Minnesota Forests for the Future	17	GO	$ 5,000	$ 5,000	$ 5,000
Reinvest in Minnesota Critical Habitat Match Program	18	GO	$ 3,000	$ 3,000	$ 3,000
Community Tree Invasive Pest Program	19	GO	$ 500	$ 500	$ 500
Prairie Restoration in State Parks and Along State Trails	20	GO	$ 500	$ 500	$ 500
Parks and Trails Local and Regional Grant Program	21	GO	$ 2,000	$ 2,000	$ 2,000
School Trust Fund Land Acquisition	22	GO	$ 20,000	$ 60,000	$ 0
Total Project Requests			$ 237,100	$ 268,300	$ 195,300
General Obligation Bonds (GO) Total			$ 237,100	$ 268,300	$ 195,300

($ in thousands)

Asset Preservation

AT A GLANCE

2016 Request Amount:	$80,000
Priority Ranking:	1
Project Summary:	This request is for $80 million in state funds for the repair and renovation of the Department of Natural Resources (DNR) capital assets to assure they are safe and functional for the recreating public, support the preservation of Minnesota's natural resources, and preserve the state's investment in its capital assets. DNR's Natural Resource Asset Preservation in MS 84.946 covers a broad range of projects including buildings, roads, trails, water accesses, bridges, recreational facilities in state parks, and water control structures used to manage wildlife habitat.

Project Description

The value of our buildings and recreation sites is almost $3.0 billion; and to keep everything in safe and usable condition requires significant repair, renovation, and renewal. This request for $80 million is for renewal of the following:

- Buildings: $49 million for renewal of existing building facilities, providing much needed funding for building components identified by the FY15 Facility Condition Assessment as being in crisis or poor condition. Special focus will be paid to repairs, accessibility, and code compliance work. Priorities include roof replacements, replacement of antiquated and inefficient mechanical systems, statewide septic and water systems, state park sanitation buildings, Soudan hoist and Knife River Marina, and building renewals. Potential buildings include Rice Lake, Hutchinson, Talcott WMA, Lanesboro shop and residence, storage facilities statewide.
- Energy: $4 million for installation of renewable energy systems, lighting retrofits, and HVAC energy efficiency upgrades; replacement of inefficient water technology fixtures and HVAC equipment in Grand Rapids, Brainerd and Detroit Lakes.
- Roads and Bridges: $10 million to provide critical maintenance and rehabilitation of roads in state forests (MS 89.002), state parks, and in wildlife management areas. DNR has over 3,000 miles of roads that provide access to over 5 million acres of state forest lands, state parks and recreation areas, wildlife management areas, and hatcheries.
- Trails and Trail Bridges: $10 million to provide renewal and replacement, paving and aggregate trail resurfacing, culvert and bridge replacements, erosion control, trail alignments and accessibility improvements for priority projects at Root River, Sakatah, Gateway, Willard Munger, and Blufflands State Trails. DNR has over 600 miles of paved trails; thousands of miles of natural surface trails and these systems have over 650 bridges with more than 100 bridges being over 100 years old.
- Water Access Sites: $5 million to develop and improve the design of existing public water access sites to implement best management practices (BMPs) for shoreland management, aquatic invasive species (AIS) management, and universal design (ADA) components. Priorities include projects at Mille Lacs, Vermilion, Knife River Marina, Detroit Lake and fishing piers statewide.

Water Control Structures: $2 million for water control structures that provide core waterfowl habitat

- on key shallow lakes and significant wetlands. DNR Fish and Wildlife manages over 600 dikes, water control structures, and fish barriers across Minnesota. These structures are deteriorating, requiring repair or replacement to maintain existing investments in the state's infrastructure. Projects would include work at Roseau, Wood Lake, and Badger WMA's.

Minnesota's Department of Natural Resources (DNR) manages a broad range of building and recreational facilities located in all 87 Minnesota Counties. Specifically, DNR has 2,735 buildings in over 225 locations around the state, 73 state parks and recreation areas, 8 waysides, 54 forest campground and day use areas, 3,000 miles of roads, 620 miles of surfaced state trail, over 1,000 bridges and culverts, 1,590 water access sites, 600 water control structures, a number of hatcheries and fishing piers, and miles of hiking trails, all of which also require periodic renewal.

Project Rationale

DNR's assets have been neglected because of a lack of funding and the deferred maintenance need is significant. Over the next 10 years, more than $40 million a year is needed to bring facilities to average condition or better. The facility condition assessment for buildings currently shows 215 buildings in crisis condition and 540 in poor condition. Some bridges are weight restricted, trails are in very poor condition, and resources are under-utilized because of inadequate accesses or water control structure.

Other Considerations

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

In FY14, DNR worked with the Guaranteed Energy Savings Program (GESP), and packaged six sites from around the state into a viable and cost-effective opportunity, with additional funding needed to maximize the potential. DNR will continue to seek opportunities for participation in the program.

Impact on Agency Operating Budgets

There will be minimal impact on operating budgets.

Description of Previous Appropriations

L2014, Ch. 294, Bond, $10,000,000

L2011, 1SS, Ch. 12, Bond, $17,000,000

L2010, Ch. 189, Bond, $1,000,000

Project Contact Person

Kent Lokkesmoe

Director of Capital Budget
651-259-5701
kent.lokkesmoe@state.mn.us

($ in thousands)

Building and Facilities Development

AT A GLANCE

2016 Request Amount:	$10,000
Priority Ranking:	2
Project Summary:	This request is for $10 million in state funds is to support the Department of Natural Resources' (DNR) strategic and long-term investment in its facility management objectives.

Project Description

This request includes funds to:

- Support Predesigns for future capital budget requests. Specific projects in need of a predesign are DNR Headquarters in Bemidji, where DNR staff are scattered in 3 DNR-owned sites and 2 leased sites and the Spicer/New London area where DNR offices are also in 3 locations.
- Replace buildings that are deficient, not ADA accessible, unsafe, no longer serve their intended purpose, have reached the end of their useful life, or are not cost effective to repair, such as builidngs at International Falls, Talcott WMA, Rice Lake State Park, and Badoura Nursery.
- Construct additional storage buildings in areas around the state. The equipment used by DNR, such as boats and fire trucks, which provide safety services to the public as well as protection of our natural resources, is becoming larger, and contains highly sophisticated electronic operating systems. As such, much of this equipment can no longer be stored outside on a regular basis, and will not fit in many of our existing boat houses and storage buildings. The cost of constructing storage buildings is offset long-term by the increased life-cycle of the items stored. Currently, DNR has a number of small storage sites, both owned and leased, scattered throughout the state. DNR is moving to a planned approach, and will construct consolidated storage buildings in secure, strategically located DNR sites located throughout the state. This will result in cost savings and increase opportunities for the sharing of equipment.

Project Rationale

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

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

Other Considerations

The assigned agency project priorities are based on DNR program goals and it is expected that funding would be distributed across all of the requests. In addition to cost reductions, it is anticipated co-location of DNR sites will enhance outdoor recreation opportunities by focusing delivery at key locations.

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

Impact on Agency Operating Budgets

New facilities will reduce future costs, although the extent of the savings are not expected to be significant.

Description of Previous Appropriations

L2014, Ch. 294, $2,000

Project Contact Person

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

($ in thousands)

Flood Hazard Mitigation Grant Assistance Program

AT A GLANCE

2016 Request Amount:	$15,000
Priority Ranking:	3
Project Summary:	This request is for $15 million in state funds for grants to cities, counties, and watershed districts for flood risk reduction. Projects include water level control, levees, acquisition and removal of at-risk structures and impoundments. $15M would complete five projects and further an additional five on-going flood risk reduction projects.

Project Description

At current estimates, $15 million would complete flood risk reduction projects in Delano, Halstad, Montevideo, and the Cedar River and Bois de Sioux Watershed Districts. In addition, phases of projects in Afton, Austin, Golden Valley, Inver Grove Heights, and Newport would be completed. Types of projects funded include purchase and removal of damaged and at-risk residential structures from the floodplain, construction of levees, water level control structures, and multi-purpose flood impoundments.

Project Rationale

Flood mitigation is cost effective. Study shows that every $1 spent on mitigation saves $4 in the future. Past investment in flood mitigation has resulted in a more flood resilient state, and decreased flood fighting and recovery costs. Several projects require additional state funding assistance to complete final phases.

Other Considerations

The assigned agency project priorities are based on DNR program goals and it is expected that funding would be distributed across all of the requests. Past appropriations for Flood Hazard Mitigation have leveraged significant federal and state dollars, considerably reducing Minnesota's vulnerability to flood losses.

Impact on Agency Operating Budgets

There will be minimal impact on operating budgets.

Description of Previous Appropriations

L2015, SS1, Ch. 5, $23,549,000

L2015, SS1, CH. 5, $3,015,000 (Disaster)

L2014, Ch. 294, Bond, $4,500,000

L2014, Ch. 295 General Fund $7,500,000

L2013, Ch.136, Bond, $20,000,000

L2012, 1SS, Ch. 1, Bond, $9,000,000

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

L2011, 1SS, Ch. 12, Bond, $50,000,000

L2010, 2SS, Ch. 1, Bond, $10,000,000

L2010, Ch. 189, Bond, $63,500,000

All appropriations are for purposes in MS 103F.161 - Flood Hazard Mitigation Grants to local units of government.

Project Contact Person

Kent Lokkesmoe
Director of Capital Investment
651-259-5701
Kent.Lokkesmoe@state.mn.us

($ in thousands)

Dam Safety /Repair/Reconstruction /Removal

AT A GLANCE

2016 Request Amount:	$10,000
Priority Ranking:	4
Project Summary:	This request is for $10 million in state funds would provide funds for design, engineering and construction to repair, reconstruct, or remove dams and respond to dam safety emergencies. The top six high hazard dams on the statewide dam safety projects priority list will be funded with these dollars. They include Bronson, Lanesboro, St. Cloud, Pelican Rapids, Norway Lake at Pine River, and the Canby impoundment.

Project Description

This request is part of an ongoing Dam Safety Program to manage Minnesota's public dam infrastructure. Dams maintain water levels on many of our recreational lakes, providing significant recreation, tourism, and economic benefits. For example: Mille Lacs, Minnetonka, and Ottertail Lakes all depend on dams to maintain water levels and surrounding property values. Making needed repairs limits the potential liability of the DNR and local government units that own dams; protects the public safety; and saves money by maintaining existing infrastructure assets.

This program also includes the removal or modification of hazardous or obsolete dams that no longer provide significant public benefits and whose rehabilitation would not be cost effective or good for the environment. The current request does not include any removal or modification projects.

Consistent, long-term funding of at least $5 million per biennium is necessary to maintain public dams and to remove dams that are obsolete or have become safety hazards. The DNR Ecological and Water Resources Division general operating budget does not include funding for dam safety projects.

About 5 percent of Dam Safety Program capital budget appropriations are reserved for emergencies. Any emergency funds remaining at the end of the two-year bonding cycle are used on high priority projects.

Project Rationale

Minnesota's public dams infrastructure includes nearly 800 dams owned by the state, counties, cities, and watershed districts. The state of Minnesota owns over 430 of these dams. Most of these public dams are over 50 years old and require ongoing repairs to maintain their structural integrity and prevent public safety hazards. Emergency repairs must be made when an imminent dam failure threatens public safety or an actual dam failure damages property.

Other Considerations

The assigned agency project priorities are based on DNR program goals and it is expected that funding would be distributed across all of the requests.

We estimate that over $100 million will be needed over the next several decades to repair, reconstruct, or remove publicly-owned dams. The requested funds would provide $9.5 million for priority projects and $500,000 for emergencies. This appropriation provides for 100% of the cost for state owned dams and for grants to local units of government for up to 50% of the project cost.

Impact on Agency Operating Budgets

There will be minimal impact on operating budgets.

Description of Previous Appropriations

L2014, Ch. 294, Bond, $ 6,500,000
L2012, Ch. 293, Bond, $ 3,000,000
L2011 (1st SS), Ch. 12, Bond, $ 16,000,000
L2010 (2nd SS), Ch. 1, Bond, $1,000,000
L2010, Ch. 189, Bond, $4,000,000

Project Contact Person

Kent Lokkesmoe
Director of Capital Investment
651-259-5701
Kent.Lokkesmoe@state.mn.us

($ in thousands)

State Land Reforestation and Stand Improvement

AT A GLANCE

2016 Request Amount:	$6,000
Priority Ranking:	5
Project Summary:	This request is for $6 million in state funds is for reforestation and stand improvement on state lands. M.S. 89.002, subd. 2 require: reforestation of harvested state forest and WMA lands; maintenance of all state forests in appropriate forest cover, plant stock, growth rate, and health; and restoration of productivity on state forest lands damaged by natural causes or in a poorly stocked condition.

Project Description

The reforestation and stand improvement programs present ongoing needs of the Department of Natural Resources (DNR), primarily in the north central and southeast portions of the state. This would include treatment of blowdown-impacted acreage in and around the St. Croix valley. The reforestation goal is to ensure that five years after the harvest, the area is stocked with trees ecologically best suited to the site, the tree species meet the future desired conditions for the landscape, and the trees are at least equal in height to the competition on the site or are “free-to-grow.”

To accomplish reforestation and meet forested landscape objectives, sustainable funding is needed to ensure the successful completion of four components of reforestation:

- Site preparation involves using both mechanical and chemical means to reduce competition and prepare a suitable planting/seeding bed.
- Planting and seeding includes purchasing seeds and seedlings to meet reforestation objectives, purchasing supplies to better ensure seedling survival during planting, and contracting or hiring labor to plant and seed.
- Protection includes measures to mitigate destructive predation on the newly planted and seeded trees. Protection often is needed for three to five years after planting.
- Release includes measures to reduce overtopping and undesirable vegetation that robs young seedlings of needed light and nutrients.

Without protection and release, investments in site preparation and planting and seeding likely would be lost. Protection and release are critical components in a reforestation capital investment.

The forest stand improvement funds will be used to: 1) treat younger tree stands by removing unhealthy, lower value trees as well as reducing competition for desirable trees and 2) treat older tree stands that are now noncommercial due to low volume and/or a significant amount of insect and disease damage.

Forest stand improvement will increase the value of Minnesota’s forests for both the wood using industry and for other forest values such as habitat. Improvements will create forest stands characterized by healthy trees that are faster growing. These forests will produce a higher value tree

crop, and in many cases provide greater wildlife value. An example would be favoring oak trees because of their production of acorns for wildlife.

Improving our forests' health and productivity has many co-benefits including creating habitat that benefits many wildlife species, supplying clean air and water, providing recreational opportunities, and making quality wood fiber available for Minnesota's forest based economy.

Project Rationale

This bonding request is for reforestation and improvement of state administered forest lands. Funds will be spent in the following three focus areas; $4.6 million for preparing sites and planting and seeding 23,000 acres of state forest land and wildlife management area (WMA) land, and for practices for ensuring seedling establishment and survival; $0.7 million for protecting seedlings from animal damage by bud capping or repellent application (13,000 acres); and $0.7 million to promote and enhance forest health and productivity through stand improvement practices on about 6,000 acres of state forest land and WMA land.

Other Considerations

The assigned agency project priorities are based on DNR program goals and it is expected that funding would be distributed across all of the requests.

In Article XI, Section 5 of the Constitution of the State of Minnesota, one of the purposes for "public debt and works of internal improvements" is item (f), "to promote reforestation…"

Impact on Agency Operating Budgets

There will be minimal impact on operating budgets.

Description of Previous Appropriations

Laws 2014, Ch. 294, Bond, $2,963,000

Laws 2012, SS1, Ch. 1, Bond, 994,000

Laws 2012, Ch. 293, Bond, 2,500,000

Laws 2010, Ch. 189, Bond, 3,000,000

Project Contact Person

Kent Lokkesmoe
Director of Capital Investment
651-259-5701
Kent.Lokkesmoe@state.mn.us

($ in thousands)

Marsh Lake Restoration Project

AT A GLANCE

2016 Request Amount:	$1,900
Priority Ranking:	6
Project Summary:	This request is for $1.9 million in state funds to complete the State's share in a cooperative natural resources restoration project with Federal (65%) and State (35%) partnership funding. The project is a partnership between the US Army Corp of Engineers, Minnesota DNR and the Upper Minnesota River Watershed District.

Project Description

The project will be accomplished primarily through modification of the dam at Marsh Lake and return of the historic outlet of the Pomme de Terre River to Lac qui Parle Lake. The dam disrupted natural flood plain functions and processes. The lack of natural flooding and drying cycles combined with increased sedimentation from the large, developed watershed caused a decline in plant quantity and diversity leading to a decline in associated fish and wildlife benefits.

Alteration of the dam will enable lake managers to periodically drawdown lake levels to consolidate bottom sediments and minimize winter refuge for common carp. In addition, the re-routed Pomme de Terre will reduce sedimentation into Marsh Lake as well as provide a spawning area for game fish such as northern pike and walleye. These actions will increase aquatic plant growth that will serve as both a food source to migrating waterfowl as well as a stabilizing measure for bottom sediments within the lake.

Project Rationale

Marsh Lake, is a 5,100 acre shallow lake located within the Lac Qui Parle Wildlife Management Area and has declined in quality of wildlife habitat and water quality due to landscape changes, increased runoff carrying sediment and nutrients, and invasive plant and fish species. This project will give managers the ability to reduce sediment loading and to perform periodic drawdowns to improve conditions in the lake and WMA.

Other Considerations

The assigned agency project priorities are based on DNR program goals and it is expected that funding would be distributed across all of the requests.

Impact on Agency Operating Budgets

There will be minimal impact on operating budgets.

Description of Previous Appropriations

L2012 Outdoor Heritage Funds, $2,630

Project Contact Person

Kent Lokkesmoe
Director of Capital Investment
651-259-5701
Kent.Lokkesmoe@state.mn.us

($ in thousands)

Native Prairie Bank Acquisition and Development

AT A GLANCE

2016 Request Amount:	$8,000
Priority Ranking:	7
Project Summary:	This request is for $8 million in state funds for Native Prairie Bank (NPB) conservation easement acquisition and development. Acquisition of permanent conservation easements on approximately 1500 acres of privately owned native prairie. Development on approximately 200 acres of NPBs to improve viability of native prairies as habitat for rare plant and animal species and Species of Greatest Conservation Need (SGCN), to improve water quality, and to create additional habitat for pollinator and bird species.

Project Description

This request is for $8 million in state funds for Native Prairie Bank (NPB) conservation easement acquisition and development. This program supports the Department of Natural Resources' (DNR) conservation mission of protecting natural resources and maintaining the economic vitality of Minnesota's communities by assisting private landowners in the conservation of native prairie. Private lands conservation assistance has been identified by the department as a strategic direction critical to addressing the key trend of landscape changes related to growth and development. With more than 75 percent of Minnesota's land under private ownership, private landowners are crucial partners in the conservation of the state's natural resources.

The Native Prairie Bank (M.S. 84.96) was established by the 1987 legislature to allow private landowners to maintain native prairie on their property through a conservation easement with the DNR. The tract must be predominately unplowed native prairie vegetation. Landowners receive a payment for agreeing to preserve their native prairie. In return, the ecological and hydrological values of prairies are maintained. The easements are permanent with negotiated conditions that can allow for grazing, haying, or seed production.

Implementation of the *Minnesota Prairie Conservation Plan* is a priority for this NPB appropriation which would target enrollment of high quality native prairie along with restoration of buffers and associated grasslands for rare resource protection and wildlife habitat.

To date, 112 NPB easements, encompassing over 9,017 acres of native prairie, have been secured. The long-range goal of the NPB program is to protect 20,000 to 30,000 acres of native prairie on private land.

Approximately $7.5 million of this funding request would be used to acquire permanent NPB conservation easements on approximately 1500 acres of native prairie an estimated 21 tracts of private.

Approximately $500,000 of this request would be used for about 25 NPB development projects on approximately 200 acres, such as NPB boundary signs, removal of woody encroachment, control of invasive plants, and planting with native local prairie seed. These efforts will serve to buffer and

increase the viability of native prairie as habitat for rare plant and animal species and SGCN.

Key funding sources for the SNA program include the Environment and Natural Resources Trust Fund (ENRTF) and Outdoor Heritage Fund (OHF. The projects implemented with bonding typically are distinct from those to be implemented with other funding sources, or in some case multiple funds are necessary and the accomplishments will be pro-rated.

Project Rationale

The state once had over 18 million acres of prairie. Today, an estimated 235,000 acres of native prairie remain, of which about 104,000 acres are threatened. The remaining remnant native prairies are in jeopardy of being lost forever unless they are protected. Conservation of Minnesota's remaining native prairie has statewide significance because native prairies provide significant ecological benefits – they are home to more than 100 species of rare and endangered plants and animals, provide excellent water quality benefits, are necessary for many native pollinator species and are habitat for nesting waterfowl, pheasant, and other upland nesting birds. Native prairies also contribute to productive agriculture by supporting grazing, haying, seed production, and providing biomass for energy.

Other Considerations

The assigned agency project priorities are based on DNR program goals and it is expected that funding would be distributed across all of the requests.

Implementation of the *Minnesota Prairie Conservation Plan* is a priority for this appropriation which would target fee acquisition of the highest quality native prairie along with key upland and wetland buffers and associated grasslands to be restored and improved for public access, rare resource protection, and wildlife habitat.

Impact on Agency Operating Budgets

There will be minimal impact on operating budgets.

Description of Previous Appropriations

Previous Appropriations for NPB acquisition and development (in dollars): Outdoor Heritage and Trust Fund appropriations include funds for non-bondable activities.

L2015, 1st SS, Ch. 2, Outdoor Heritage, $3,865,000

L2015, Ch. 76, Trust Fund, $3,325,000

L2014, Ch. 256, Outdoor Heritage, $3,210,500

L2013, Ch. 137, Outdoor Heritage, $ 849,610

L2013, Ch. 52, Trust Fund, $ 750,000

L2012, Ch. 262, Outdoor Heritage, $ 184,630

L2011, 1SS, CH. 2, Trust Fund, $1,000,000

L2011, 1SS, Ch. 6, Outdoor Heritage, $ 577,240

L2010, Ch. 361, Outdoor Heritage, $650,000

L2010, CH. 362, Trust Fund, $ 685,600

Project Contact Person

Kent Lokkesmoe
Direct of Capital Investment
651-259-5701
Kent.Lokkesmoe@state.mn.us

($ in thousands)

Itasca State Park Renovation

AT A GLANCE

2016 Request Amount:	$10,000
Priority Ranking:	8
Project Summary:	This request is for $10 million to renovate degraded buildings and other infrastructure, restore natural resources, and to offset energy use in Itasca State Park, Minnesota's oldest and first state park, which is celebrating its 125th birthday in 2016.

Project Description

This year's request for $10 million in state funds is for widespread renovation within Itasca State Park. Itasca is Minnesota's oldest and first state park, and will be celebrating its 125th birthday in 2016.

High priorities at the park include:

Reforestation

Reforest an 800 acre area of the park, part of a 10-year reforestation plan for the park.

Energy offsetting

Install renewable energy at the park or elsewhere, and install energy reduction strategies at the park, to completely offset the energy use of the park.

Renovate Nicollet Court as Lodging

Nicollet Court is listed on the National Historic Register and sits right next to Douglas Lodge, yet it has been closed to the public for almost 15 years due to age and safety concerns. The roof is close to collapsing, which will render the building more difficult and expensive to salvage. The proposal is to completely renovate this historic building and create additional lodging at Itasca, which is in high demand.

Separate and Renovate the Public Water Access and the Bike Rental

The bike rental and the public water access share a parking lot. This creates unsafe conditions as people walk or bike through the access parking and launching area. The proposal is to separate these features of the park, rehabilitating both to accommodate current ADA, AIS, safety, and storm water codes. Enhancements would include adding flush toilets and a fish cleaning house.

Complete the re-route of the Bike Trail

In 2014, a project to move half of the Itasca bike trail off of the park road was completed. This proposal is to re-route the remaining half of the bike trail off the park road. Not only will this project create a much safer situation for motorists and bikers, it will also create a much more enjoyable experience for bikers and walkers.

Park Water and Sewer Line Rehabilitation

The park's water and sewer lines are a network of infrastructure, most of which is more than 50 years old. A recent study created an inventory of infrastructure and prioritized projects into a 20-year rehab plan, based on condition. This bond request would largely fund rehab on projects described in the first four years of this plan.

Improvements to Oziwindib Group Camp

At the request of users, this project would add cabins to this high-demand group camp.

Improvements to Douglas Lodge/Forest Inn/Mary Gibbs and areas surrounding those buildings

This proposal entails remodels to three buildings to enhance catering services, improve energy efficiency, restore historic features, and to redesign and construct a new dock system to serve the tour boat operation located near Douglas Lodge.

These investments will provide jobs, reduce operating costs, increase energy efficiency in buildings, and improve service to the public. Projects described support DNR's mission of providing outdoor recreation opportunities to the public, and maintaining the health and economic vitality of Minnesota's communities.

Project Rationale

Projects included in this request support DNR's conservation mission of protecting the natural resources, providing outdoor recreation opportunities to the public, and maintaining the health and economic vitality of Minnesota's communities.

Past resource and maintenance funding has been insufficient to maintain park buildings and other infrastructure or adequately maintain natural resources within the park. This has caused a backlog of deferred maintenance. The result is walkways, stairs, and buildings that are old and in need of repair and complete renovation, buildings that are closed to the public, water and sewer lines at risk of failure, park infrastructure that does not meet safety and ADA compliance codes, and diminished natural resources within the park.

This is of concern as Itasca is:

- our most heavily visited state park;
- our largest revenue-generating park; and
- the state park with the highest campsite and lodging occupancy.

Other Considerations

The assigned agency project priorities are based on DNR program goals and it is expected that funding would be distributed across all of the requests.

Impact on Agency Operating Budgets

Efficiencies and lower operating costs will results in some savings, which will be directed to the ongoing maintenance needs at the park.

Description of Previous Appropriations

For statewide acquisition, development, rehab:

L2013 Ch. 52, Legacy $9.5M

L2012 Ch. 264, Legacy $9.5M

L2012 Ch. 111, Bond $5.8M

L 2011 1st SS, Ch. 6, Legacy, $5M

L2011, 1st SS, Ch. 12, Bond, $17M

L2010, Ch. 189, Bond, $1M

Project Contact Person

Kent Lokkesmoe
Director of Capital Investment
651-259-5701
Kent.Lokkesmoe@state.mn.us

($ in thousands)

WMA/AMA Acquisition and Development Pheasant Summit

AT A GLANCE

2016 Request Amount:	$20,000
Priority Ranking:	9
Project Summary:	This request is for $20 million in state funds for statewide WMA/AMA acquisition with a focus in the prairie landscape. The Pheasant Action Plan called for $10 million/yr for 4 years in state funds to accelerate acquisition of State WMAs in the pheasant range of the state.

Project Description

Minnesota has one of the finest systems of publicly-owned fish and wildlife lands in the country, with more than 1.3 million acres of WMAs. These areas protect important fish and wildlife habitat, support productive fish and wildlife populations, and provide opportunities for current and future generations to hunt, fish, trap, and share our natural heritage. WMAs are also important for conserving surface water, preserving unique vegetation, and enhancing natural beauty and open space.

Collaborative partnerships will be promoted in order to acquire key lands. Overall priority will be given to acquiring regionally significant wildlife habitat that will build on existing habitat and provide hunter access.

Project Rationale

To acquire, develop and improve lands for wildlife and aquatic management areas. With the loss of grasslands and resulting impacts to pheasant populations, the governor directed the DNR to hold the first ever pheasant summit in Minnesota. About 250 citizens came together and developed ideas for actions to improve the outlook for pheasants. One of the top actions supported by participants was accelerated acquisition of public land to provide publicly owned habitat that would be protected in perpetuity.

Other Considerations

The assigned agency project priorities are based on DNR program goals and it is expected that funding would be distributed across all of the requests.

Impact on Agency Operating Budgets

There will be minimal impact on operating budgets.

Description of Previous Appropriations

L2015, 1st SS, Ch. 2, Outdoor Heritage $2,808,000

L2014, Ch. 256, Outdoor Heritage $6,975,000

L2013, Ch. 137, Outdoor Heritage $3,940,000

L2012, Ch. 264, Outdoor Heritage $2,900,000

L2011, Ch. 6, Outdoor Heritage $2,861,000

L2010, Ch. 361, Outdoor Heritage $2,764,081

L2010, Ch. 189, Bond $1,000,000

Project Contact Person

Kent Lokkesmoe
Director of Capital Investment
651-259-5701
Kent.Lokkesmoe@state.mn.us

($ in thousands)

State Park Campground Renovations

AT A GLANCE

2016 Request Amount:	$7,000
Priority Ranking:	10
Project Summary:	This request is for $7 million in state funds to rehabilitate and to provide important enhancements to campgrounds in Minnesota State Parks. Many campgrounds have infrastructure that is more than 50 years that does not meet current code, most importantly accessibility code.

Project Description

This request for $7M in state bond funds is for the complete renovation of campgrounds within Minnesota State Parks. Minnesota's State Park system plays a unique and important role in providing recreation opportunities to Minnesotans and out of state tourists. Continual investment in DNR infrastructure is required to preserve the investment in the asset, ensure safety and accessibility, and support natural resource work.

The requested funding would allow funding to replace shower and toilet buildings to address ADA, code and safety issues, upgrade substandard electrical service, waterlines and wastewater utilities, upgrade sidewalks and parking to meet accessibility code, redesign campground layout to comply with current storm water management best practices and regulations, repave campground roads, lengthen campground spurs to accommodate modern vehicles while still ensuring adequate screening between sites, and update building lighting and heating systems with low energy technologies.

Park staff spend a great deal of time repairing breaks in old and substandard water and electrical lines. There is actually a reduction in operation funding needed to operate a campground, once renovated. Not maintaining facilities in a timely manner results in eroded capital values and higher maintenance costs to address a higher than necessary rate of facility deterioration and emergency work.

Campground renovation projects support DNR's conservation mission of protecting the natural resources, providing outdoor recreation opportunities to the public, and maintaining the health and economic vitality of Minnesota's communities. These investments will provide jobs, reduce operating costs, increase energy efficiency in buildings, and improve service to the public. Examples of high priority projects include the only campground at Jay Cooke State Park, the oldest campground (Lakeview) at Sibley State Park, Minneopa State Park campground, and the Frontenac State Park campground. Many other campgrounds require smaller amounts of rehabilitation rather than full renovation.

Project Rationale

Minnesota's State Park campgrounds are foundational recreational features for the public, important sources of revenue that ensure the continued operations of state parks, and they also stimulate the local economies. Highest priority is placed on the oldest campgrounds located in the most heavily visited state parks. Many are more than 50 years old and are badly in need of rehabilitation to

restore functionality, to bring facilities up to code, to create accessible places, and to accommodate today's recreation vehicles. The Division receives many complaints about the poor condition of campgrounds every year.

The work proposed in this request is consistent with the DNR's 10 Year Strategic Plan – Goal 2 Trend: Outdoor recreation infrastructure is outdated and deteriorating. The work would be strategically guided by the Minnesota State Parks and Trails System Plan.

Other Considerations

The assigned agency project priorities are based on DNR program goals and it is expected that funding would be distributed across all of the requests. The most highly visited parks with the oldest infrastructures would be a higher priority within parks. Providing safe, accessible, energy-efficient recreational facilities will have a direct impact on visitor satisfaction. By providing opportunities for physical activity, access to parks and trails is also a proven solution to the rising health care costs related to obesity.

Minnesota's state park system is over 100 years old and includes 67 state parks, 7 state recreation areas, and 54 state forest campgrounds. Within the system are 132 state park and recreation area campgrounds, 50 state forest campgrounds, 55 group camps, and 13 equestrian campgrounds.

Impact on Agency Operating Budgets

Adequate funding for preservation needs will result in lower future obligations for more costly replacement. Not maintaining facilities in a timely manner results in eroded capital values and higher maintenance costs to address facility deterioration and emergency work.

Description of Previous Appropriations

For acquisition, development, rehab:

L2013 Ch 52, Legacy $9.5M

L2012 Ch 264, Legacy $9.5M

L2012 Ch 111, Bond $5.8M

L 2011 1SS Ch 6, Legacy $5M

L2011, 1SS, Ch. 12, Bond $17M

L2010, Ch. 189, Bond $1M

Project Contact Person

Kent Lokkesmoe
Director of Capital Investment
651-259-5701
Kent.Lokkesmoe@state.mn.us

($ in thousands)

Park, State Recreation Area and Trail Development

AT A GLANCE

2016 Request Amount:	$14,000
Priority Ranking:	11
Project Summary:	This request is for $14 million in state funds will allow acquisition and development of key recreational features in our State Park, Recreation Area, and State Trail system.

Project Description

$14 million in state funds is requested to allow acquisition and development of key recreational features in our State Park, Recreation Area, and State Trail system. High priority areas of focus include:

Cuyuna State Recreation Area

New mountain biking trails, campground improvements, additional yurts, a trailhead, and support features, such as parking, toilets, and operations shop.

Lake Vermilion-Soudan Underground Mine State Park

Continued development of recreational opportunities including: new hiking trails, a second campground, Mattson Bay camp (3-season cabins, gathering space, toilet/shower facilities), a solar plant that would provide renewable energy for the park, a trailhead for a hiking trail that leads to the highest points in the park, and associated roads, parking, and toilet/shower facilities.

Upper Post

For the feasibility, design and construction of an urban outdoor skills training and safety center located at the Fort Snelling Upper Post. MNDNR, in partnership with the Minneapolis Park and Recreation Board, would convert a 60-acre golf course into an adventure sports destination for:

- Archery
- High ropes
- Rock &ice climbing
- Obstacle course
- Mountain biking
- Trail running
- Snow shoeing
- Dog sledding
- Leadership training

- Camping skills
- Snowmobile &ATV safety training
- Hunter safety training
- Bike-building and repair
- Outdoor survival
- Water safety

The center would also have close proximity to…

- Paddle sports
- Fishing
- Water sports

Trails

Take advantage of opportunities to acquire land to eliminate trail severances, and to fund development of key trail connections and supplement trail construction projects that lack sufficient funding, including:

- Gitchi Gami State Trail - Tofte connection: To develop 1 mile of new trail through the community of Tofte. Some federal funds available, with match and additional funding needed.
- Mill Towns and Sakatah Singing Hills State Trails - White Sands connection: To develop a new trail through Faribault and a bridge over the Cannon River that will connect the eastern terminus of the Sakatah Singing Hills State Trail to the westernmost segment of the Mill Towns State Trail. Some federal funds available, with match and additional funding needed.
- Paul Bunyan State Trail/Bemidji –Clausen Avenue: To complete the final remaining severance on the Paul Bunyan State Trail.
- Heartland State Trail - Steamboat Loop/Tower Hill – To acquire and develop a one mile section of trail to separate bikes from roadway traffic near Walker and to clear up long-standing land ownership issues.
- Glacial Lakes State Trail - New London to Sibley State Park: To supplement 2014 bonding to allow for acquisition and development of this segment.

Project Rationale

Outdoor recreation is a cornerstone of Minnesota tradition. Participation in many traditional recreational activities is declining and there are many competing demands for leisure time. Minnesota's population is becoming more diverse and urbanized. To remain relevant to changing demographics the Department must continue to invest in ways to attract new visitors. It also provides funding for an exciting new opportunity in the Twin Cities metro area to attract urban youth to outdoor adventure sports. It will also allow the Division to complete high priority trail projects.

The work proposed in this request is consistent with the DNR's 10 Year Strategic Plan – Goal 2 Trends: Participation in traditional outdoor recreation is changing; Minnesota's population is urbanizing, diversifying and aging; Competition for leisure time is intensifying. The work will be strategically guided by the Minnesota State Parks and Trails System Plan.

Other Considerations

The assigned agency project priorities are based on DNR program goals and it is expected that funding would be distributed across all of the requests.

Impact on Agency Operating Budgets

Additional facilities will slightly increase operating costs.

Description of Previous Appropriations

Acquisition, development, and rehabilitation

L2015, Ch. 76	Env Trust	$1.5M
L2014, Ch. 294	Bond	$17.667M
L2013, Ch. 52	Env Trust	$1M
L2013, Ch.137	Legacy	$9.5M
L2012, Ch.264	Legacy	$9.5M
L2011, 1SS, Ch.6	Legacy	$5M
L2011, 1SS, Ch. 12	Bond	$5.8M
L2010, Ch. 189	Bond	$4M

Vermilion:

L2014 Ch. 294	Bond	$14M
L2012, CH. 293	Bond	$2M
L2011, 1SS, Ch. 12	Bond	$8M

Project Contact Person

Kent Lokkesmoe
Director of Capital Investment
651-259-5701
Kent.Lokkesmoe@state.mn.us

($ in thousands)

Fish Hatchery Enhancement

AT A GLANCE

2016 Request Amount:	$5,500
Priority Ranking:	12
Project Summary:	This request is for $5.5 million in state funds is needed to maintain and improve state hatchery facilities. This funding will allow Fisheries Section to efficiently and effectively meet fish stocking needs that create, restore, and sustain high quality fishing opportunities throughout the state.

Project Description

This request for $5.5 million in state funds is needed to assure continued operation and enhancement of state hatcheries that provide fish to stock approximately 2,000 waterbodies throughout Minnesota every year.

Projects that would be funded include:

- Upgrade facilities for control of fish pathogens and invasive species;
- Improve rearing pond access areas;
- Develop a fish holding facility to improve efficiency of fish transport;
- Install and upgrade water lines, water effluent system, water treatment equipment, safety equipment, and more efficient heating and cooling systems;
- Upgrade existing drainable ponds;
- Upgrades to ensure energy efficiency and increased production capacity; and
- Enhance education and outreach facilities.

These funds would provide for system upgrades to prevent the spread of invasive species and pathogens, production upgrades, “green” energy alternatives, and allow completion of projects at several cold and cool water fish hatcheries in order to meet Federal and State water quality standards. Hatcheries involved in this request include: Grand Rapids, Brainerd, Waterville, New London, Detroit Lakes, Park Rapids, Bemidji, Crystal Springs (near Winona), French River, Lanesboro, Peterson, and Spire Valley (near Altura).

Project Rationale

Fisheries Section operates and maintains 19 hatcheries throughout the state to assure annual stocking needs of approximately two million trout, 290 million walleye, and 20,000 musky. Funding this project will assure the continued operation of these hatcheries in a safe, cost, and energy efficient way.

Other Considerations

The assigned agency project priorities are based on DNR program goals and it is expected that funding would be distributed across all of the requests.

Impact on Agency Operating Budgets

The improvements to the hatcheries will result in more efficient and safe operating conditions. Any savings would be directed to increase fish production.

Description of Previous Appropriations

L2014, Ch. 294 Bond $2,000,000

Project Contact Person

Kent Lokkesmoe
Director of Capital Investment
651-259-5701
Kent.Lokkesmoe@state.mn.us

($ in thousands)

Scientific and Natural Area Acquisition and Development

AT A GLANCE

2016 Request Amount:	$5,800
Priority Ranking:	13
Project Summary:	This request is for $5.8 million in state funds to acquire and develop lands as state Scientific and Natural Areas (SNAs) across the state. Approximately 1000 acres will be acquired in fee and capital improvements will be done on about 800 acres. This will permanently protect, and provide public access to native prairie, savanna, forest, fen, wetlands, and rock outcrop communities of biodiversity significance.

Project Description

This request is for $5.8 million in state funds to acquire and develop lands as state Scientific and Natural Areas (SNAs) across the state. SNAs are sites of statewide significance that preserve examples of rare plant communities, species and geological features, and that also provide outdoor recreation opportunities. At present, about 160 SNAs encompass about 185,000 acres, including about 146,700 acres in 18 peatlands protected through the Wetland Conservation Act of 1991.

Approximately $5 million of this request is to acquire in fee and designate as SNAs approximately 1,000 acres. High priority parcels will be targeted in accordance with the DNR's interdisciplinary Strategic Land Asset Management (SLAM) process and the SNA Strategic Land Protection Plan.

Approximately $500,000 of this request of SNAs would be used for about 100 capital develop projects on approximately 800 acres throughout the state. SNA site development provides for safe public use of SNAs, ensures that biological diversity is retained and prevents the loss of important species, plant communities, and features. Development includes activities such as removal of existing infrastructure and removal of woody encroachment, seed collection, and replanting, as well as fencing, signing, and the creation of basic parking facilities.

Key funding sources for the SNA program include the Environment and Natural Resources Trust Fund (ENRTF), Outdoor Heritage Fund (OHF), and Reinvest in Minnesota appropriations or match. The projects implemented with bonding typically are not eligible for other funding sources, are distinct from those to be implemented with other funding sources, or in some case multiple funds are necessary and the accomplishments will be pro-rated.

Project Rationale

This request supports the Department of Natural Resources' (DNR) conservation mission of protecting natural resources, providing outdoor recreation opportunities to the public, and maintaining the health and economic vitality of Minnesota's communities by preserving the state's rarest resources and ensuring healthy, natural systems can continue to provide ecological, recreational, and economic benefits to all Minnesotans.

Other Considerations

The assigned agency project priorities are based on DNR program goals and it is expected that funding would be distributed across all of the requests.

Implementation of the *Minnesota Prairie Conservation Plan* is a priority for this appropriation which would target fee acquisition of the highest quality native prairie along with key upland and wetland buffers and associated grasslands to be restored and improved for public access, rare resource protection, and wildlife habitat.

Impact on Agency Operating Budgets

There will be minimal impact on operating budgets.

Description of Previous Appropriations

Previous Appropriations for SNA acquisition and development (in dollars): Outdoor Heritage and Trust Fund appropriations include funds for non-bondable activities.

L2015, 1st SS, Ch. 2 Outdoor Heritage, $1,762,000

L2015, Ch. 76 Trust Fund, $4,000,000

L2014, Ch. 256 Outdoor Heritage, $1,430,800

L2014, Ch. 226 Trust Fund, $2,540,000

L2013, Ch. 137 Outdoor Heritage, $ 390,665

L2013, Ch. 52 Trust Fund, $1,500,000

L2012, Ch. 262 Outdoor Heritage, $ 276,940

L2011, 1SS, Ch. 2, Trust Fund, $1,640,000

L2011, 1SS, Ch. 6, Outdoor Heritage, $ 931,470

L2010, Ch. 361 Outdoor Heritage, $1,408,000

L2010, Ch. 362 Trust Fund, $1,096,400

Project Contact Person

Kent Lokkesmoe
Director of Capital Investment
651-259-5701
Kent.Lokkesmoe@state.mn.us

($ in thousands)

Groundwater Monitoring

AT A GLANCE

2016 Request Amount:	$5,000
Priority Ranking:	14
Project Summary:	This request is for $5 million in state funds to install new ground water level monitoring wells (also known as observation wells) and seal and replace failing wells. A nest of 3-4 wells would be installed at each site with individual wells developed into each of the aquifers.

Project Description

The state's plan for monitoring ground water levels calls for about 7,000 wells at a total cost of about $90 million. The network currently has about 900 wells dedicated to monitoring groundwater levels. Minnesota has numerous complex aquifers and obtaining water level data over time with this groundwater monitoring network is the only reliable way to understand the State's groundwater resources. The objectives for the monitoring well network are to collect and analyze long-term water level data to ensure sustainability of water supplies and water resources. Data from these wells are used to analyze long-term water level trends; evaluate aquifer recharge; interpret impacts of climate fluctuation and change; plan for water conservation; evaluate water conflicts and interferences; and determine ground water/surface water interactions. Trend information is critical for water supply planning and is used extensively by counties, municipalities, the Department of Health, Minnesota Pollution Control Agency, Department of Agriculture, and the Metropolitan Council.

Over 236 communities throughout Minnesota have been identified as hydrologic areas of concern or have water supply issues that need to be addressed.

This request is for the following:

- $4.5 million for contracts with well drillers to install about 100 nests of wells ; and
- $500,000 for the Department of Natural Resources (DNR) for drilling activities.

Project Rationale

Quality data are necessary to assess ground water availability for water supply planning.

Other Considerations

The assigned agency project priorities are based on DNR program goals and it is expected that funding would be distributed across the priority areas of concern.

At the request of the Legislature, DNR prepared two reports that identify the need for expanded monitoring of ground water resources. The unmet need exceeds $3 million annually for the foreseeable future.

- Long term protection of the state's surface water and ground water resources – January 2010.

- Ground water: Plan to develop a ground water level monitoring network for the eleven county metropolitan area – October 2009.

Impact on Agency Operating Budgets

There will be minimal impact on operating budgets.

Description of Previous Appropriations

L2013, Ch. 137, Legacy $250,000

L2011, 1SS, Ch. 12, Bond $600,000

L2011, 1SS, Ch. 6, Clean Water Fund, $1,000,000

L2010, Ch. 189, Bond $1,000,000

L2010, Ch. 361, Legacy $4,000,000

Project Contact Person

Kent Lokkesmoe
Director of Capital Investment
651-259-5701
Kent.Lokkesmoe@state.mn.us

($ in thousands)

State Forest Acquisition

AT A GLANCE

2016 Request Amount:	$2,000
Priority Ranking:	15
Project Summary:	This request is for $2 million in state funds is to acquire approximately 900 high priority acres of state forest in-holdings and easements to access state forest land from willing sellers.

Project Description

Minnesota contains approximately 14.7 million acres of commercial forest land. These lands are about equally divided between public and private ownership, with state forests representing approximately 20 percent of commercial forest land in the state.

This request will help support efforts outlined in the DNR's *Conservation That Works*. It will provide the funding to secure the most critical access and realize the more immediate opportunities for consolidation identified in the Division of Forestry's 20-year strategic land asset management planning effort. The goal is to acquire more than 150,000 acres of state forest in-holdings and access through exchanges with and purchases from willing sellers.

An estimated nine parcels, totaling 900 acres of fee title and access easements, will be acquired at this funding level.

Project Rationale

This request for $2 million in state funds is to acquire the highest priority perpetual easements and fee title on private lands, primarily within state forest boundaries that provide public recreational access, ensure the continuation of sustainable forest management activities, and prevent the fragmentation and loss of productive forest lands. Acquisitions will result in increased management efficiencies of state forests by consolidating land holdings and addressing trespass and access problems on state lands.

Other Considerations

The assigned agency project priorities are based on DNR program goals and it is expected that funding would be distributed across all of the requests.

Impact on Agency Operating Budgets

There will be minimal impact on operating budgets.

Description of Previous Appropriations

L2011, 1SS Chapter 6	Legacy	$1,205,000

Project Contact Person

Kent Lokkesmoe
Director of Capital Investment
651-259-5701
Kent.Lokkesmoe@state.mn.us

($ in thousands)

Stream Restoration

AT A GLANCE

2016 Request Amount:	$5,900
Priority Ranking:	16
Project Summary:	This request is for $5.9 million in state funds for design, land acquisition, and construction of stream protection and restoration projects. These projects are designed to protect and restore river systems using natural channel design principles.

Project Description

State funding of $5.9 million is requested for design, land acquisition, and construction of stream protection and restoration projects. Priority restoration projects include Mission Creek, Miller Creek, Drywood Creek, and the North Branch of the Whitewater River. Dam modification projects include Grindstone, Adrian, Tischer Creek, and the Phelps Mill dam.

Project Rationale

The landscape and rivers of Minnesota have been altered by population growth and associated activities (e.g., timber and food production). By following principles of natural channel design in planning and implementing river restorations, projects are achieved with the intent of sustainability – to match the natural system's changes.

Other Considerations

The assigned agency project priorities are based on DNR program goals and it is expected that funding would be distributed across all of the requests.

Impact on Agency Operating Budgets

There will be minimal impact on operating budgets.

Description of Previous Appropriations

L2013, Ch. 137	Outdoor Heritage	$1,700,000
L2012, Ch. 264	Outdoor Heritage	1,320,000

Project Contact Person

Kent Lokkesmoe
Director of Capital Investment
651-259-5701
Kent.Lokkesmoe@state.mn.us

($ in thousands)

Minnesota Forests for the Future

AT A GLANCE

2016 Request Amount:	$5,000
Priority Ranking:	17
Project Summary:	This request is for $5 million is for acquisition of large-scale conservation easements and fee title acquisition on private forest lands, primarily in northern Minnesota and to pursue conservation easement opportunities with willing industry or land-holding companies that own larger, contiguous blocks of forest land interspersed with state forest land and other public forests.

Project Description

Thousands of acres of forest lands owned and managed by timber and mining companies are under threat to be sold, leased, subdivided and developed. The risk in Minnesota's north woods and elsewhere in the state is real. These changes will make the forest less valuable for wildlife, less accessible to the public for hunting and trail uses, less accessible to DNR for state land management access, and more difficult to manage for timber production.

The Forests for the Future program allows landowners to sell a permanent easement to the state that prevents development, provides public access, and allows the owner to continue to manage the forest sustainably for timber and other products while protecting ecological features of the land. The State will hold the easement and regularly monitor to ensure the state's interests are being protected.

Project Rationale

This request for $5 million in state funds is to protect up to 30,000 acres of private forest land with permanent conservation easements and/or fee title. Project prioritization and selection will incorporate several criteria including: possibilities for forest consolidation; contributions of the property to local and regional timber-based economies; ecological features of the property; size and location of potential projects; project cost; potential for match funding; whether site provides management access to state forest lands; opportunities for public access and recreation including hunting and fishing, and partner and community support.

Other Considerations

The assigned agency project priorities are based on DNR program goals and it is expected that funding would be distributed across all of the requests.

Impact on Agency Operating Budgets

There will be minimal impact on operating budgets.

Description of Previous Appropriations

L2011, 1SS, Ch. 6	Outdoor Heritage	$5,409,000
L2010, Ch. 189	Bond	500,000

Project Contact Person

Kent Lokkesmoe
Director of Capital Investment
651-259-5701
Kent.Lokkesmoe@state.mn.us

($ in thousands)

Reinvest in Minnesota Critical Habitat Match Program

AT A GLANCE

2016 Request Amount:	$3,000
Priority Ranking:	18
Project Summary:	This request is for $3 million in state funds is to leverage an equal amount of private donations to acquire and improve critical habitat for fish, wildlife, and native plants throughout the state through the Reinvest in Minnesota (RIM) Critical Habitat Match Program. Acquisition and improvement of land for wildlife management areas, scientific and natural areas, aquatic management areas, state parks, and state forests.

Project Description

This request of $3 million will acquire fee title land that meets the definition of critical habitat, and will leverage an additional $3 million in matching funds or donated land value. It is estimated 1,200 acres of habitat will be protected with this funding.

Project Rationale

The primary state match funding is $3.5 million in annual proceeds from the Critical Habitat License Plate Program (M.S. 168.1296, subd. 5) that are credited to the RIM Matching Account (M.S. 84.943). Demand for this program continues to exceed state funding.

Other Considerations

The assigned agency project priorities are based on DNR program goals and it is expected that funding would be distributed across all of the requests.

Impact on Agency Operating Budgets

There will be minimal impact on operating budgets.

Description of Previous Appropriations

M.L. 2014, Ch. 294, $2,000,000

M.L. 2010, Ch. 189, $3,000,000

Project Contact Person

Kent Lokkesmoe
Director of Capital Investment
651-259-5701
Kent.Lokkesmoe@state.mn.us

($ in thousands)

Community Tree Invasive Pest Program

AT A GLANCE

2016 Request Amount:	$500
Priority Ranking:	19
Project Summary:	This request is for $500,000 for community grants to remove and replace dead or dying shade trees located on public property that are lost to emerald ash borer or other exotic, invasive forest pests or diseases.

Project Description

This request for $500,000 in state funds is to provide grants to communities to minimize loss or damage of forest resources by shade tree pests, protect shade trees from shade tree pests, and establish or maintain cooperation between state, federal and local units of government in the preparation of plans for forest protection, management, and planting or replacement of trees damaged or lost to forest pests. Grant funds will be used for removal and disposal or utilization of public trees lost to forest pests or disease, and purchasing and planting of trees on publicly owned land.

By the end of the project, grant recipients must demonstrate their commitment to ongoing care by providing the following documents: updated Community Forestry or Shade Tree Ordinance, annual maintenance plan for public trees, community forestry public education plan, and management plan or forest health management plan.

Projects will be evaluated according to how well they: demonstrate commitment to long-term monitoring and management of the project, increase the diversity of tree species, develop and sustain local community forestry programs, and benefit the entire urban forest resource and provide multiple benefits to the community.

Project Rationale

Minnesota community forests are facing imminent threats from exotic invasive pests such as emerald ash borer (EAB) and gypsy moth. Financial burdens will exceed those incurred due to Dutch elm disease and oak wilt. This program will use past successes of the Minnesota Shade Tree Program and Minnesota ReLeaf Grant Program, to increase the capacity of local forestry programs to prepare for these pests, utilize the removed trees, and restore the many benefits of healthy, diverse urban forests in an orderly manner.

Other Considerations

The assigned agency project priorities are based on DNR program goals and it is expected that funding would be distributed across all of the requests.

In the Constitution of the State of Minnesota, article XI, section 5, one of the purposes for “public debt and works of internal improvements” is item (f), “to promote forestation…”

Impact on Agency Operating Budgets

There will be minimal impact on operating budgets.

Description of Previous Appropriations

L2010, Ch 189	Bonding	$3,000,000

Project Contact Person

Kent Lokkesmoe
Director of Capital Investment
651-259-5701
Kent.Lokkesmoe@state.mn.us

($ in thousands)

Prairie Restoration in State Parks and Along State Trails

AT A GLANCE

2016 Request Amount:	$500
Priority Ranking:	20
Project Summary:	This request is for $500,000 to restore 500 acres of prairie in state parks, state recreation areas, and along state trails. Some of the most important prairie remnants reside in Minnesota State Parks; however, even these prairie remnants require restoration and enhancement to remove invasive and non-native plants and to prevent them from threatening the integrity of the prairie community.

Project Description

This request is for $500,000 to restore 500 acres of prairie in state parks and state recreation areas. Less than 2% of Minnesota's original prairie remains today. Despite this dramatic decline, prairie continues to be lost today because of land conversion, invasive species and lack of disturbance. Due to this loss, more endangered, threatened and special concern species of plants and animals occur in prairies than in the state's forested provinces.

The Division of Parks and Trails currently manages 16,543 acres of remnant and restored prairie and there are approximately 12,100 acres yet to be restored. These funds would accelerate the Division's ability to restore this critically important part of Minnesota's natural heritage. High priority areas for restoration are those in Afton, Crow Wing, Maplewood, Sibley, Rice Lake, Sakatah Lake and Wild River State Parks.

The work proposed in this request is consistent with the DNR's 10 Year Strategic Plan – Goal 1 Trend: Prairies, grasslands and wetlands are declining. The work would be strategically guided by the Minnesota State Parks and Trails System Plan.

Project Rationale

Less than 2% of Minnesota's original prairie remains today. Minnesota Statutes (MS Statute 86A.05 subd. 2c) directs the Division of Parks and Trails to preserve, perpetuate and restore natural features that existed in the area of the parks prior to European settlement. Furthermore, state parks are established for the purpose of conserving the scenery, natural and historic objects and wildlife and to provide for the enjoyment of the same in a manner that will leave them unimpaired for the enjoyment of future generations (MN Statute 85.011). Restoring and enhancing the prairie remnants located within our state parks supports this legislative mandate.

Other Considerations

The assigned agency project priorities are based on DNR program goals and it is expected that funding would be distributed across all of the requests.

Impact on Agency Operating Budgets

There will be minimal impact on operating budgets.

Description of Previous Appropriations

Project Contact Person

Kent Lokkesmoe
Director of Capital Investment
651-259-5701
Kent.Lokkesmoe@state.mn.us

($ in thousands)

Parks and Trails Local and Regional Grant Program

AT A GLANCE

2016 Request Amount:	$2,000
Priority Ranking:	21
Project Summary:	This request is for $2 million in state funds is to provide competitive grants to local governments for acquisition and development of local and regional parks and trails across the state.

Project Description

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

The Outdoor Recreation Grant Program to help local governments acquire, develop and/or redevelop close to home outdoor recreation facilities.

The Regional Park Grant Program to help local governments acquire shoreland, natural areas, and threatened habitat, and develop and rehabilitate natural resource based outdoor recreation facilities of regional significance.

The Local Trail Connections Grant Program provides grants to local units of government to develop and acquire trail connections to residential areas, schools, workplaces, community centers, recreation areas, trails and parks.

The Regional Trail Grant Program provides grants to local units of government for development and acquisition of regional

The grant programs allow the DNR to partner with local communities to acquire land and develop parks and trails that help create a network of close to home recreation facilities. With the requested funding, local communities will acquire approximately 50 acres, develop or redevelop several local and/or regional parks, and construct 10 to 15 local and regional trail projects.

Project Rationale

This project supports the Department of Natural Resources' (DNR) conservation mission of protecting natural resources, delivering outdoor recreation opportunities to the public, and maintaining the health and economic vitality of Minnesota's communities by ensuring public access to a high-quality system of local and regional parks and trails. Connecting people to Minnesota's great outdoors has been identified by the department as a strategic direction critical to addressing the key trend related to changes in outdoor recreation participation. This is achieved, in part, by developing and maintaining a foundation of parks and trails across the state that provides close-to-home opportunities for natural resource based recreation, preserve natural areas, and support healthy, vital communities.

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

Other Considerations

The assigned agency project priorities are based on DNR program goals and it is expected that funding would be distributed across all of the requests.

Impact on Agency Operating Budgets

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

Description of Previous Appropriations

For acquisition, development:

Regional Parks and Trail Grants:

L2015, 1st SS, Ch. 2 Legacy $17.651M

L2013, Ch. 137 Legacy $16.887M

L2011, 1SS, Ch. 6 Legacy $15.192M

Park Grants:

L2011,1SS, Ch.12 Bond $1.250M

Local Trail Connection Grants:

L2013 Lottery in Lieu $1.005M

L2010 Lottery In Lieu $655k

Regional Trail Grants:

L2013 Lottery in Lieu $200k

L2011, 1SS, Ch. 2 Trust Fund $2M

Project Contact Person

Kent Lokkesmoe
Director of Capital Investment
651-259-5701
Kent.Lokkesmoe@state.mn.us

($ in thousands)

School Trust Fund Land Acquisition

AT A GLANCE

2016 Request Amount: $20,000

Priority Ranking: 22

Project Summary: This request is for $20 million in state funds is to provide the Permanent School Trust Fund with compensation for those Department of Natural Resources (DNR) policies or designations that prohibit revenue generation, as required by Minnesota Statutes, section 84.027, subd. 18.

Project Description

Approximately 75,500 acres of school trust lands are in designated DNR management units that prohibit revenue generation. DNR also maintains 206 water access sites on school trust lands that currently do not provide long-term economic return to the Permanent School Trust Fund. The table below depicts the preliminary value estimates for each management unit type.

Revenue Restriction	Acres/Site	Per Acre Value	Total Estimated Value
Old Growth	20,000 acres	$900/acre	$18,000,000
WMA	4,500 acres	$900/acre	$4,050,000
Water Access Sites	206 sites	$150,000/site	$30,900,000
Peatland SNAs	51,000 acres	$500/acre	$25,500,000
		TOTAL	**$78,450,000**

This $20 million request will permit the DNR to begin the compensation plan required by Minnesota Statutes, section 84.027, subd. 18. By providing compensation for these natural resource and recreation values, the DNR will begin to fulfill its fiduciary responsibility to the Permanent School Trust Fund while maintaining sound natural resource and conservation principles.

Priority areas would include WMA's within the Mississippi Headwaters region and the Lake Agassiz Beach Ridge Area.

Project Rationale

The DNR, on behalf of the State of Minnesota, administers the 2.5 million acres of school trust lands. DNR is charged with securing the maximum long-term economic return from the school trust lands through revenue generation activities consistent with sound natural resource conservation and management principles. A number of DNR policies and designations prohibit revenue generation on school trust lands. In addition, the statutorily created Peatland Scientific and Natural Areas managed by the DNR prohibit revenue generation.

The project will target 1) trust fund lands currently within WMAs that have high wildlife value beach ridge habitats underlain with aggregate that could be mined for the fiduciary benefit of the trust; 2) Riparian trust fund lands with high ecological value that could be sold for development for the fiduciary benefit of the trust. The project would reimburse the trust for the potential market value of the aggregate lands or shoreland and condem the land and designate it into the outdoor recreation system; and 3) Water access sites. About $80 million is needed to compensate the trust by July 1, 2018.

Other Considerations

The assigned agency project priorities are based on DNR program goals and it is expected that funding would be distributed across all of the requests.

Minnesota Statutes, section 92.121 requires that the DNR *exchange* school trust lands managed in Old Growth Forests, Wildlife Management Areas, and Scientific and Natural Areas, among others when income generation has been diminished or is prohibited as a result of DNR management practices.

Minnesota Statutes, section 84.035 subd. 9 states that the DNR either "acquire by *exchange or eminent domain* the surface interests, including peat, on trust fund lands contained in peatland scientific and natural areas established in subdivision 4."

Impact on Agency Operating Budgets

There will be minimal impact on operating budgets.

Description of Previous Appropriations

Project Contact Person

Kent Lokkesmoe
Director of Capital Investment
651-259-5701
Kent.Lokkesmoe@state.mn.us