

Natural Resources, Department of

Projects Summary
(\$ in Thousands)

Project Title	2012 Agency Priority Ranking	Agency Project Request for State Funds (\$ by Session)				Governor's Recommendations	Governor's Planning Estimate	
		2012	2014	2016	Total		2012	2014
Flood Hazard Mitigation	1	\$30,000	\$30,000	\$30,000	\$90,000	\$20,000	\$20,000	\$20,000
Dam Repair/Reconstruction/Removal	2	7,000	7,000	7,000	21,000	7,000	7,000	7,000
Asset Preservation	3	10,000	10,000	10,000	30,000	3,000	3,000	3,000
Water Access Renewal/Aquatic Invasive Species	4	12,000	7,000	7,000	26,000	12,000	7,000	7,000
Groundwater Monitoring, Observation Wells	5	500	1,000	1,000	2,500	500	500	500
RIM Critical Habitat Match	6	3,000	3,000	3,000	9,000	3,000	3,000	3,000
Roads and Bridges	7	8,000	8,000	8,000	24,000	5,000	5,000	5,000
State Land Reforestation and Stand Improvement	8	6,000	8,000	8,000	22,000	0	0	0
Buildings and Facilities Master Plan Implementation	9	10,000	10,000	10,000	30,000	0	0	0
Fish Hatchery Improvements	10	3,000	3,000	3,000	9,000	0	0	0
Connecting People to the Outdoors/Parks and Trails Development	11	30,500	30,500	30,500	91,500	5,000	5,000	5,000
Vermilion State Park Development	12	13,000	13,000	13,000	39,000	0	0	0
SNA & Native Prairie Bank Acquisition and Development	13	5,000	10,000	10,000	25,000	0	0	0
WMA/AMA Acquisition and Development	14	5,000	10,000	10,000	25,000	0	0	0
Wetland Improvement and Development	15	3,000	3,000	3,000	9,000	0	0	0
School Trust Fund Land Acquisition	16	5,000	10,000	10,000	25,000	0	0	0
Stream Protection and Restoration	17	1,500	1,500	1,500	4,500	0	0	0
Fish Habitat Improvements	18	500	500	500	1,500	0	0	0
State Forest Land Acquisition	19	1,500	3,000	3,000	7,500	0	0	0
Minnesota Forests for the Future	20	1,500	3,000	3,000	7,500	0	0	0
Parks and Trails Local and Regional Grant Program	21	3,000	3,000	3,000	9,000	0	0	0
Environmental Campus Predesign	22	1,000	0	0	1,000	0	0	0
Total Project Requests		\$160,000	\$174,500	\$174,500	\$509,000	\$55,500	\$50,500	\$50,500

**Agency Profile At A Glance
Conservation That Works**

The mission of the Department of Natural Resources (DNR) is *to work with citizens to conserve and manage the state's natural resources, to provide outdoor recreation opportunities, and to provide for commercial uses of natural resources in a way that creates a sustainable quality of life.*

DNR administers approximately 5.5 million acres of state-owned land, 11,850 lakes, and 69,000 miles of natural rivers and streams through the integrated management of Minnesota's natural resources, and in close collaboration citizens and partners:

- 12 million acres of state mineral rights – mining is the biggest contributor to northeast Minnesota's economy.
- 8 million acres of surface rights and mineral rights managed for horticultural peat, industrial materials, and construction materials.
- 58 state forests, encompassing 4.2 million acres.
- 1,430 wildlife management areas (WMAs) with 1.3 million acres of habitat and 840 shoreland miles administered as aquatic management areas (AMAs).
- Approximately 150 scientific and natural areas (SNAs), encompassing 180,000 acres.
- 74 state parks and recreation areas, 54 state forest campgrounds and day use areas, 8 state waysides.
- 1,300 miles of developed state trails, 23,000 miles of snowmobile trails, 1,500 miles of cross-country ski trails, 2,000 miles of off-highway vehicle trails.
- 30 water trails totaling 4,300 miles, 1,600 public accesses, 350 fishing piers and shore fishing sites.
- DNR maps and monitors ground water – two-thirds of the public water supply comes from ground water.
- DNR monitors the state's surface waters with 2,800 monitoring sites across the state.
- Forest certification on 4.8 million acres of state forest lands maintains the market competitiveness of Minnesota's forest industry, providing timber, habitat, clean water, and recreation.
- DNR manages 5,000 pieces of fleet equipment and 2,500 buildings worth more than \$1 billion.

Agency Purpose

DNR's responsibilities are broad, but are fundamentally focused on enhancing and sustaining Minnesota's quality of life through the balanced union of the department's three-part mission.

Economic development: Correspondingly, natural resource-based economies – including trust land management, recreation tourism, forest products, and water and mineral resources – serve as a cornerstone for Minnesota's economic well-being, generating billions of dollars in the state. For instance, Minnesota's forest industry supports 38,000 jobs and is the state's fourth largest manufacturing sector by employment, while the annual total economic impact of watercraft and boat trip spending is \$4 billion. Sustaining the quality of the state's valuable natural resources, by investing in conservation and ensuring environmentally sound practices, supports the long-term success of Minnesota's natural resource-based economies and provides a high return on investment.

Natural resource protection: Minnesota's natural lands and waters serve as the foundation for the state's triple bottom line – a healthy environment, a strong economy, and vibrant communities. Natural resource systems provide immeasurable public benefits – from flood mitigation and erosion control to the high quality of life natural lands and waters provide to communities. Protection of the state's rich, natural assets (such as clean water, fish and wildlife, and timber) sustains Minnesota's global, natural resource-based economies and fosters a strong, outdoor heritage in the state.

Outdoor recreation: Likewise, outdoor recreation produces important economic benefits, creating jobs and generating significant spending in local economies. For instance, statewide trail-related activities support 43,000 jobs, with trail users spending \$3.3 billion annually. Outdoor recreation also connects people to the outdoors, fostering an ethic of natural resource stewardship among Minnesotans and building an engaged, diverse outdoor recreation public that supports conservation of the state's valued lands and waters.



Recognizing the interdependency of environment and economy, DNR works to optimize the state's triple bottom line to ensure that all Minnesotans are provided high-quality natural resources as a foundation for economic wealth and fun recreation opportunities.

Strategies

DNR is focusing its resources and leadership in four areas that, when combined, provide the optimal approach for the department to achieve its mission-critical work while being a part of the state's budget solution:

- ***DNR integrates our natural resources work to be better positioned for the future***

Integrated resource management allows the department to be flexible to address new challenges and take on new opportunities, to be adaptive and adjust our approaches when needed, and to work collaboratively with others. The Division of Parks and Trails is aligning department resources to better connect people to the outdoors through a 21st century state park and trail system with a focus on engaging families and youth. The Division of Ecological and Water Resources is adopting watershed and landscape-scale approaches to more comprehensively manage lakes, streams, and habitats, recognizing the key role Minnesota's water resources have in supporting a strong economy.

- ***DNR is innovative in our business***

Building on successful business improvements that have increased the efficiency of department operations, DNR is identifying critical leverage points that, with minimal public investment, provide significant cost-savings. DNR's fleet is considered one of the best in the nation, with a reliable, energy-efficient fleet that costs the department much less than the industry standard. With a large workforce stationed at more than 180 locations across the state, DNR is improving the energy performance of its buildings and working across units of government to determine opportunities to reduce operational costs. DNR has established a target to reduce total energy use by 20 percent from 2010 to 2015, generating savings of \$3.5 million. Likewise, DNR has made significant improvements in safety performance, saving more than \$4 million in safety claims over the last 10 years. DNR is also developing new business models to increase revenues while reducing costs associated with forest management on school trust lands.

- ***DNR works in close partnership with Minnesotans to achieve our goals***

DNR recognizes that no one organization is responsible for the health of Minnesota's natural resources. The department depends on strong public and private partnerships and the active participation of citizens to achieve conservation goals. Innovative partnerships (such as with the Minnesota Twins, Best Buy Co., and REI, Inc.) enable DNR to engage new customers and measurably increasing attendance at Minnesota state parks, which serve as a gateway to other outdoor adventures. These partnerships have greatly enhanced DNR's outreach efforts and contribute to building and sustaining a robust recreation tourism industry in the state. Likewise, DNR works closely with private landowners and conservation partners through partnerships such as the Minnesota Forests for the Future Program, which leverages state investments with non-state dollars, achieving conservation goals at the lowest possible cost to the state. DNR will bring partners together to collaboratively develop strategies to implement the Parks and Trails Legacy Plan, the Water Sustainability Framework, and multi-partner habitat plans.

- ***DNR bases its management decisions on the best available science, ensures transparency and accountability in its work, and clearly communicates results meaningful to the public***

Today's society demands a greater focus on measuring and communicating the results of public investments. DNR employs an integrated performance management system to ensure we are meeting the needs of our customers, a diverse and changing public. Charting strategic direction, measuring performance, and making course corrections based on science-based monitoring will improve results and foster cost-effectiveness. DNR continues to increase the transparency and accountability of its operations through efforts such as implementing a new outcomes tracking system, internal control standards, statewide grants management policies, and other business processes that comply with federal and state standards.

Operations

DNR is responsible for conserving the diversity of natural lands, waters, and fish and wildlife that provide the foundation for Minnesota's outdoor recreation heritage and natural resource-based economies (M.S. 84, M.S. 97A). DNR preserves the state's unique natural heritage by protecting rare

plant and animal communities throughout the state. DNR manages the state's water resources, sustaining healthy waterways and ground water resources (M.S. 103). DNR provides enriching outdoor recreational opportunities and ensures public access to these resources, including hunting, fishing, wildlife-watching, camping, skiing, hiking, biking, motorized recreation, and conservation education through a state outdoor recreation system that includes parks, trails, wildlife management areas, scientific and natural areas, canoe and boating routes, and other facilities (M.S. 86A). DNR supports natural resource-based economies, managing state forest lands for multiple forest values (M.S. 89), ensuring the maximum long-term economic return from school trust lands (M.S. 127A), and managing the state's 12 million acres of mineral rights (M.S. 93). DNR is organized into four geographic regions, six operating divisions, and operations support. DNR staff work out of 180 field offices located statewide.

- **Division of Ecological and Water Resources** works to ensure the long-term health of watersheds across the state that support water quality and maintain water quantity, biodiversity, and vital ecosystem services.
- **Division of Enforcement** enforces laws related to game and fish, wetlands, aquatic plants, and the operation of watercraft, snowmobiles, all-terrain vehicles, and other recreational vehicles, and provides conservation and safety education programs.
- **Division of Fish and Wildlife** conserves and enhances the state's fish and wildlife populations and their supporting habitats through regulation, restoration, research, monitoring, and education.
- **Division of Forestry** protects citizens and property from wildfire and strives for the sustainable yield of timber resources for forest products while managing state forests for wildlife habitat and recreation.
- **Division of Lands and Minerals** manages agency real estate transactions and promotes, regulates, and provides expertise on mineral exploration, mining, and mine land reclamation.
- **Division of Parks and Trails** operates a system of state parks, state recreation areas, and state forest campgrounds that conserves natural, scenic, and cultural resources; maintains a statewide network of recreational trails; provides public access to lakes, rivers, and streams; and offers education opportunities.
- **Operations Support** provides direction and coordination of DNR programs and operations, provides local services to the public across the state through regional operations, manages pass-through grants, and

directs the management of school and university trust fund lands and mineral rights.

Budget

Direct, open, and statutory appropriations total \$875.4 million* for the FY 2012-13 biennium: 22.6% from the General Fund, 23% from the Game and Fish Fund, 20.7% from the Natural Resources Fund, 6.2% from federal funds, 7.8%* from the Outdoor Heritage Fund, 2.4% from the Clean Water Fund, 5.3% from the Parks and Trails Fund, 4.4% from the Environmental Trust Fund, and 7.6% from other special revenue.

*This represents FY 2012 Outdoor Heritage Fund (OHF) appropriations only (\$68.8 million). Fiscal year 2013 OHF appropriations are not known at this time, as they are appropriated annually.

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At A Glance: Agency Long-Range Strategic Goals Conservation That Works

The mission of the Department of Natural Resources (DNR) is to *work with citizens to conserve and manage the state's natural resources, to provide outdoor recreation opportunities, and to provide for commercial uses of natural resources in a way that creates a sustainable quality of life.* DNR seeks to achieve the following goals to fulfill its mission:

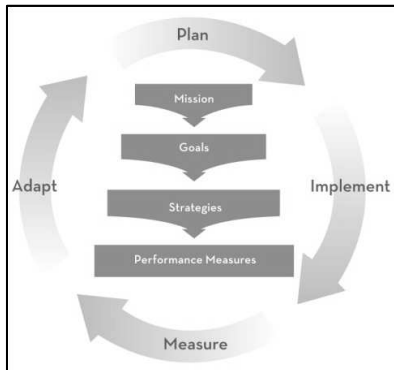
Goal – Minnesota's waters, natural lands, and diverse fish and wildlife habitats will be conserved and enhanced

Goal – Minnesota's outdoor recreation system will be diverse and of high quality to meet the needs of new and existing conservationists

Goal – Management of Minnesota's natural resources will contribute to strong and sustainable job markets, economies, and communities

Goal – DNR will be an excellent organization that continually improves its management capabilities in service to its conservation mission

DNR's integrated performance management system connects the department's mission and long-range goals to short-term strategies, which prioritize agency work during the next four years, and utilizes performance measures to inform and adapt this work and communicate results meaningful to the public. This system is essential to effectively managing Minnesota's resources and improving conservation results in the state.



DNR's 2012 Capital Budget request fits into this performance framework through the prioritization of program work that serves to implement the department's strategies over the next several years.

Trends that Influence DNR's Ability to Achieve Its Mission and Long-Range Strategic Goals

Minnesota is facing unprecedented change. Complex natural resource challenges are reshaping the state's resource base. Invasive species threaten the health and resiliency of Minnesota's lands and waters. Growth and development patterns along shorelands, in cities, and on farmlands impact land and water conditions. Accelerating shifts in climate are anticipated to have significant impacts on Minnesota's lands and waters and are likely to intensify the negative effects of wildfires, invasive species, and disease on the state's resources. Social and demographic changes have implications both for how public services are provided by state government and how the public interacts with Minnesota's environment. The department is engaged in research to better understand recreation participation trends and is working closely with diverse partners on promoting strategies that encourage Minnesotans to participate and engage in the outdoors in new ways.

Within this context, DNR formulated a 2012 Capital Budget request that serves to implement the department's strategic goals by maintaining strong, existing infrastructure and investing in Minnesota's vital natural resources economies.

Maintaining A Strong Conservation Infrastructure

DNR is one of the state's largest agencies, with more work locations, more varied work sites, and assets worth more than \$400 million. Maintaining a strong, existing infrastructure is critical to sustaining the value of the state's important assets. Maintaining this infrastructure will provide for the following:

- Ensuring the health and safety of our citizens by reducing flood damages and risks to local communities through flood hazard mitigation and eliminating drowning potential through dam modifications.
- Eliminating poor working conditions by improving substandard facilities.
- Reducing costs by consolidating facilities and taking care of buildings before problems become even more severe and costly to repair.
- Supporting Minnesota's economic recovery efforts by creating and supporting local jobs.
- Reducing energy use, and providing information needed to improve water supply planning.

2012 Capital Budget Requests: Through the 2012 Capital Budget request, DNR seeks to improve its delivery of conservation services, ensure the health and safety of Minnesotans, reduce operating costs, and increase efficiencies by taking care of the state's assets. These requests include programs such as flood hazard mitigation grants for local communities, dam repair and removal, asset preservation, water access renewal and aquatic invasive species control, ground water monitoring, and improving DNR's roads and bridges.

Investing in the State's Natural Resource Economic Engine

Minnesota's natural lands and waters serve as the foundation for the state's triple bottom line – a healthy environment, a strong economy, and vibrant communities. Investments in conservation provide a high return in benefits to all Minnesotans—from preserving natural amenities that people seek in their daily lives to generating revenue for the state through natural resource-based economies.

The state's natural resource-based economies – including recreation tourism, forest products, and water and mineral resources – serve as a cornerstone for Minnesota's economic well-being, generating billions of dollars for the state. For example:

- The forest products industry is the state's fourth-largest manufacturing sector, with a total annual economic impact of \$18 billion in sales, \$7.3 billion contribution to gross state product, and 89,500 jobs. The forest products industry depends on the long-term health of natural resources to sustain the supply of products over time. Healthy, productive forests support jobs in forest products manufacturing and related sectors, as well as contribute to the quality of life that attracts businesses and workers.
- Minnesota has the nation's highest per-capita participation in fishing and numbers of hunters, park visitors, trail users, and wildlife watchers are above the national average. Fishing, hunting, and wildlife watching generate \$4.3 billion in spending each year in Minnesota, with spending by hunters and anglers supporting 55,000 jobs and providing \$1.6 billion to working residents. Statewide trail-related activities support 43,000 jobs, with trail users spending \$3.3 billion annually. And the total economic impact of watercraft and boat trip spending in Minnesota is \$4 billion annually, which includes spending on lodging and trip supplies.

Aquatic Invasive Species (AIS) threatens the vitality of the state's economic resources.

- Likewise, outdoor recreation opportunities support the state's robust tourism economy and contribute to a high quality of life that can attract new businesses and help keep established ones competitive. Small business owners have cited quality of life as an important reason for choosing a location, and park, recreation, and open space are key determinants of quality of life. Minnesota has ranked in the top five among America's most livable states every year for the past 15 years. Careful management of these resources is critical to maintaining this livability and ensuring that tomorrow's businesses, tourists, and skilled workforce continue to be attracted to the state.

2012 Capital Budget Requests: Through the 2012 Capital Budget request, DNR seeks new approaches for promoting the sustainable development of Minnesota's natural resources, and contributing to strong job markets, economies, and communities. These requests focus on improving the health and productivity of the state's forest lands, developing new recreation opportunities in local communities, protecting and restoring critical natural lands and waters, improving the management of school trust lands, and leveraging capital budget investments to further DNR's contributions to Minnesota's local economies.

Self-Assessment of Department Facilities, Capital Programs, and Assets

DNR owns and actively maintains approximately 2,700 buildings encompassing 2.9 million square feet of floor space at approximately 180 locations statewide, with a replacement value of more than \$400 million. In addition to office, workspace, and storage facilities, DNR provides a variety of buildings and recreational accesses for public use, including cabins, fish cleaning houses, picnic shelters, water accesses, trails, and trail centers. Nearly one-third of DNR's buildings are more than 50 years old, and only 25 percent of the department's buildings have been built using design specifications roughly equivalent to today's standards. Some of these buildings have major structural issues, such as mold or leaking roofs, and are grossly inadequate work environments. Asset preservation is a critical investment to maintain and improve the department's many buildings and recreational facilities and provide reasonable and safe places to work and recreate. Until the 2011 bonding bill, the appropriations for asset preservation

were substantially underfunded. With the 2011 appropriation of \$17 million, DNR is focusing on buildings and the department will make significant improvement in addressing unsafe and inadequate facilities. Natural resource asset preservation includes rehabilitation of recreational facilities and the unmet needs for trail resurfacing, water control structures, dams, and other natural resource assets would exceed \$200 million. Without sufficient funding, DNR prioritizes its work to address the most critical needs.

DNR's Facilities Master Plan is a strategic management plan to guide facility use and investments over the coming years. Facility master planning allows the department to ensure there are sufficient facilities to accomplish DNR's work, that the facilities are optimally utilized, and that the investments made in DNR facilities provide for the most effective and efficient use of public funds.

DNR is also responsible for administering 94 percent of all state-owned land in Minnesota and the infrastructure that provides access to and use of these lands. This includes ownership of 12 million acres in mineral rights and 5.5 million acres of land (including 2.5 million acres of school trust lands that generate revenue for schools and local government) as state parks and trails, wildlife areas, public water accesses, scientific and natural areas, and state forests. These lands provide critical fish and wildlife habitat and recreational opportunities and play an important role in supporting the state's natural resource-based economy. These lands require continuous management and capital investment, ranging from reforestation for asset improvement and signing and facility development for improved public access, to acquisition from willing sellers of private lands that lie within state park and state forest statutory boundaries. DNR's programs, including flood hazard mitigation, dam safety, and conservation programs, have been successful in meeting program goals, but have identified millions of dollars in unmet capital investment needs across the state. For example, an estimated \$115 million is needed over the next 20 years to improve the state's 800 public dams, most of which are over 50 years old and require ongoing or emergency repairs and reconstruction to protect public safety and property.

Agency Process for Capital Budget Requests

The strategic framework for the 2012 Capital Budget request was based on DNR's strategic planning processes and the goal of maintaining a strong conservation infrastructure and promoting economic development within the

state. The budget development process included an agency-wide interdisciplinary approach that focused on the department's strategies and four-year priorities, job creation and economic development, asset preservation, and cost savings. Staff from all major programs and from DNR's four regional management teams developed capital budget proposals based on these objectives, then DNR leadership met to review and discuss the budget proposals and potential funding levels, and the Commissioner's Office made final decisions on the preliminary capital budget request.

Summary of 2012 Capital Budget Requests

DNR's capital budget request focuses on two major themes that, through strategic capital investments, contribute to achieving DNR's goals.

Maintaining Strong Conservation Infrastructure: *Targeting investments to ensure the health and safety of Minnesotans, reduce operating costs, increase efficiencies, and improve service delivery*

- Flood Hazard Mitigation
- Dam Repair/Reconstruction/Removal
- Asset Preservation
- Water Access Renewal/Aquatic Invasive Species Control
- Ground Water Monitoring
- Roads and Bridges
- Buildings and Facilities Master Plan Implementation
- Fish Hatchery Improvements
- Environmental Campus Pre-design

Investing in the State's Natural Resource Economic Engine: *Promoting investment in natural resource assets that contribute to strong and sustainable economies and job markets and build healthy communities*

- RIM Critical Habitat Match
- State Land Reforestation and Stand Improvement
- Connecting People to the Outdoors – Parks and Trails Development
- Vermilion State Park Development
- Scientific and Natural Area and Native Prairie Bank Acquisition and Development
- Wildlife Management Area and Aquatic Management Area Acquisition and Development
- Wetland Improvement and Development

- School Trust Fund Land Acquisition
- Stream Protection and Restoration
- Fish Habitat Improvements
- State Forest Acquisition
- Minnesota Forests for the Future
- Parks and Trails Local and Regional Grant Program

Major Capital Projects Authorized 2010-2011

- Flood Hazard Mitigation
- Dam Repair/Reconstruction/Removal
- Ground Water Monitoring/Observation Wells
- Wildlife Management Area and Aquatic Management Area Acquisition and Improvement
- RIM Critical Habitat Match
- State Forest Land Reforestation
- Minnesota Forests for the Future Conservation Easements
- Diseased Shade Tree Removal and Replacement Grants
- State Park Building Development, Rehabilitation, and Infrastructure
- State Park Acquisition, Rehabilitation, and Development (Cuyuna Country State Recreation Area, Glendalough State Park)
- State Park and Recreation Area Acquisition
- State Trail Rehabilitation
- Regional Trail Grants and Trail Connections
- Roads and Bridges
- Statewide Asset Preservation
- Parks and Trails Local and Regional Grant Program
- Vermilion State Park Development
- State Park Recreation and Trail Development
- Parks and Trails Acquisition

Flood Hazard Mitigation

2012 STATE APPROPRIATION REQUEST: \$30,000,000

AGENCY PROJECT PRIORITY: 1 of 22

PROJECT LOCATION: Statewide

Project At A Glance

- Reduces repetitive flood losses;
- Provides cost share grants to local units of government to design and implement long-term measures to reduce flood damage and emergency flood fighting;
- Protects public and private property;
- Promotes public safety and economic viability in flood prone areas; and
- Provides for recreational and environmental enhancements.

Project Description

This request for \$30 million in state funds is to provide state cost-sharing grants to local governments for the Flood Hazard Mitigation Grant Assistance Program per M.S. 103F.161. This program allows the Department of Natural Resources (DNR) to provide cost sharing grants of up to 50 percent of non-federal project costs to implement measures that reduce or eliminate flood damage. These projects reduce future flood damages and are built in cooperation with federal, state, and local governments. Additional benefits include habitat improvements with the construction of impoundments and the creation of natural open space in the flood plain. Flood damage reduction is a performance indicator in DNR's *A Strategic Conservation Agenda 2009-2013*.

Major floods in eight of the past ten years are reminders of the significant damage and interruption to public services floods can cause. Damage costs from the 1997 Red and Minnesota River floods alone exceeded \$1.5 billion. Widespread flooding of record proportions in the fall of 2010 and spring of 2011 are additional reminders of the ongoing need for flood hazard mitigation. It is extremely cost effective to proactively prevent flood damage

in lieu of fighting floods, repairing and rehabilitating homes, business and infrastructure after floods have occurred. Minnesota's repetitive flood damage losses have been significantly reduced by the implementation of flood hazard mitigation projects including upstream storage. In the cities of Austin, Breckenridge, Crookston, Granite Falls and East Grand Forks, long-term flood mitigation efforts have significantly reduced their flood risk.

- Since its inception in 1988, the program has helped fund the removal of over 2,500 homes and businesses from the floodplain.
- Projects significantly reduce the stress and financial burden of emergency flood preparation, fighting and recovery.
- Floodplain restoration has resulted in increased fish and wildlife habitat and public recreational opportunities.

Potential projects include:

- purchase and removal of residential and commercial structures from the floodplain;
- relocation of businesses;
- improvements to existing flood control works;
- construction of levees and floodwalls;
- construction of control structures and diversion channels; and
- construction of multi-purpose flood impoundments.

Federal flood control projects are funded by about 65 percent federal and 35 percent non-federal sources. Non-federal costs are split 50:50 between the state and the local project sponsor. Appropriation language in the 1999 and subsequent legislative sessions provided additional state funding when the local share of projects exceeded 2 percent of median household income. Federal projects that are proceeding include Montevideo and Roseau. Non-federal projects include, among others: Ada, Crookston, Granite Falls, Austin, Moorhead, Oslo, and Oakport Township. Impoundment projects include North Ottawa, Redpath, Hay Creek-Norlund, and Brandt-Angus. Project priorities are subject to change and are dependent on risk of flooding, availability of federal funds, ability of the local government to proceed, and local governments' compliance with flood plain regulations.

Flood Hazard Mitigation

Demand for flood hazard mitigation project funding exceeds this bonding request by over \$100 million. Additional needs include structure acquisition, levee repair and construction, impoundments, floodwalls and landlocked lake outlets.

Impact on Agency Operating Budgets (Facilities Notes)

Current DNR staff administers the flood hazard mitigation appropriation.

Previous Appropriations for this Project

L2011, 1SS, Ch. 12	Bond	\$50,000,000
L2010, 2SS Ch. 1	Bond	10,000,000
L2010, Ch. 189	Bond	63,500,000
L2009, Ch. 93	Bond	53,800,000
L2008, Ch. 179	Bond	30,000,000
L2008, Ch 179	General Fund	3,900,000
L2007, 1SS Ch. 2	Bond	2,000,000
L2007, 1SS, Ch. 2	General Fund	5,656,000
L2006, Ch. 258	Bond	25,000,000
L2005, Ch. 20	Bond	27,000,000
L2003, 1SS Ch. 20	Bond	3,000,000
L2003, 1SS Ch. 20	Bond	1,405,000
L2002, Ch. 393	Bond	30,000,000
L2001, 1SS Ch. 12	Bond	2,000,000
L2000, Ch. 492	Bond	14,000,000

In the past ten years, total appropriations of \$315.6 million have been authorized for flood hazard mitigation grants.

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.

Flood hazard mitigation projects significantly reduce the potential for damages to homes, businesses and public infrastructure. Prevention is very cost effective. FEMA studies indicate that every dollar spent on hazard mitigation results in four dollars in future damage prevented. The

consequences of inadequate funding result in project delays and increased project costs due to inflation. In addition, existing risk of flood damage potential in these areas continues unabated.

Continued funding of the Flood Hazard Mitigation Grant Program is desirable so the DNR and local governments can effectively plan for and implement flood damage reduction projects into the future, further reducing the need and costs associated with flood preparation, flood fighting, and flood recovery.

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Governor's Recommendations

The Governor recommends general obligation bonding of \$20 million for this request. Also included are budget planning estimates of \$20 million in 2014 and 2016.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	200	200	200	200	800
5. Construction Costs	271,061	29,800	29,800	29,800	360,461
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	271,261	30,000	30,000	30,000	361,261

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
G.O Bonds/State Bldgs	261,705	30,000	30,000	30,000	351,705
General	9,556	0	0	0	9,556
State Funds Subtotal	271,261	30,000	30,000	30,000	361,261
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	271,261	30,000	30,000	30,000	361,261

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	30,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017

Dam Repair/Reconstruction/Removal

2012 STATE APPROPRIATION REQUEST: \$7,000,000

AGENCY PROJECT PRIORITY: 2 of 22

PROJECT LOCATION: Statewide

Project At A Glance

- Repair or reconstruct deteriorating dams;
- Remove or modify unsafe or obsolete river dams;
- Respond to emergencies at public dams; and
- Restore fish passage.

Project Description

This request for \$7 million in state funds would provide funds for design, engineering and construction to repair, reconstruct, or remove dams and respond to dam safety emergencies. Approximately the top 15 projects on the statewide dam safety projects priority list ready for design and construction will be funded with these dollars. This request also includes modification of dams to restore fish passage in the Red River basin.

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. About 10 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.

M.S. Sec..103G.511 provides for matching grants to local governments for dam repair or reconstruction, and M.S. Sec. 103G.515, subd. 5, allows the state to pay the entire cost of removing hazardous dams under certain

circumstances. Funding would be used to address emergencies and implement the highest priority project on the current statewide dam project priority list prepared pursuant to M.S. Sec. 103G.511, subd. 12. Project priorities are subject to change based on results of dam safety inspections, readiness of local project sponsors, and other factors.

We estimate that \$114 million will be needed over the next 20 years to repair, reconstruct, or remove publicly owned dams. The requested funds would provide \$6.5 million for priority projects and \$500,000 for emergencies. This request includes a \$1.55 million grant to Dakota County for the Lake Byllesby Dam rehabilitation project. The request also includes funding to modify the Drayton Dam on the Red River and low head dams on the Sand Hill River to create rapids to restore uninterrupted fish passage. The Drayton Dam is the last major dam on the Red River mainstem and this project would reduce the drowning potential of this dangerous dam that has claimed dozens of lives and would provide major ecological benefits to the entire basin. This request does not include \$9 million for the Lake Bronson Dam rehabilitation project in Kittson County.

Impact on Agency Operating Budgets (Facilities Notes)

No direct impact.

Previous Appropriations for this Project

L2011 (1 st SS), Ch. 12	Bond	\$16,000,000
L2010 (2 nd SS), Ch. 1	Bond	\$ 1,000,000
L2010, Ch. 189	Bond	\$ 4,000,000
L2008, Ch. 179	Bond	\$ 2,000,000
L2006, Ch. 258	Bond	\$ 2,250,000
L2005, Ch. 20	Bond	\$ 2,000,000
L2003 (1 st SS), Ch. 20	Bond	\$ 1,050,000
L2002, Ch. 393	Bond	\$ 650,000
L2000, Ch. 492	Bond/General	\$ 1,200,000

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.

Dam Repair/Reconstruction/Removal

This request is part of an ongoing Dam Safety Program to manage Minnesota's public dam infrastructure. Dams maintain water levels on most 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. These projects may also provide natural resource benefits by maximizing the conservation potential and biological diversity of river systems, through restoring and reconnecting upstream and downstream habitats. Outdoor recreation opportunities are increased by the restoration and reconnection of habitats for fish and wildlife. 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. Low-head river dams need to be modified to eliminate their dangerous "drowning machine" currents. Removal or modification of river dams is an indicator and key measure in the DNR's *A Strategic Conservation Agenda 2009-2013*.

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 become safety hazards. The DNR Ecological and Water Resources Division general operating budget does not include funding for dam safety projects.

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Governor's Recommendations

The Governor recommends general obligation bonding of \$7 million for this request. Also included are budget planning estimates of \$7 million in 2014 and 2016.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	2,600	1,300	1,300	1,300	6,500
4. Project Management	1,050	450	450	450	2,400
5. Construction Costs	10,500	5,250	5,250	5,250	26,250
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	14,150	7,000	7,000	7,000	35,150

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
G.O Bonds/State Bldgs	13,904	7,000	7,000	7,000	34,904
General	246	0	0	0	246
State Funds Subtotal	14,150	7,000	7,000	7,000	35,150
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	14,150	7,000	7,000	7,000	35,150

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	7,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017

Asset Preservation

2012 STATE APPROPRIATION REQUEST: \$10,000,000

AGENCY PROJECT PRIORITY: 3 of 22

PROJECT LOCATION:

Project At A Glance

- Preserves DNR’s investments in its facility assets;
- Addresses ADA, code and safety issues at DNR building sites; and
- Initiates repair and maintenance projects that focus on building integrity and related infrastructure deficiencies.

Project Description

This request for \$10 million in state funds is to preserve the Department of Natural Resources’ (DNR) investment in building facility assets that support the natural resource work of the department. Asset preservation dollars renew existing facilities, providing much needed funding for roof, door, window, siding replacements, energy savings and lighting retrofit projects, mechanical and electrical system repairs, water, well, and septic upkeep and replacements, and sidewalk and parking lot repairs. In addition to building needs, recreational facilities, including trails, accesses, and water control structures, all require asset preservation expenditures. This request will support over 200 construction projects addressing asset preservation needs.

DNR manages a physical *plant that encompasses a broad range of building and recreational facilities* located in all 87 Minnesota counties. Specifically, DNR has 2,761 buildings in over 225 locations around the state and with a current replacement value of \$500 million. Continual investment in state buildings and infrastructure is required to preserve the investment in the asset, ensure safety and accessibility, and support natural resource work. These renewal projects on existing facilities are located at multiple sites across the state (many in rural areas), that provide local jobs, enhance accessibility, and reduce operating costs.

These investments can also reduce operating costs, increase energy efficiency in buildings, and improve service to the public. Priority considerations are: 1) Safety, such as well or septic repair, furnace replacement, hazard materials abatement, building code and ADA compliance; 2) Building integrity issues such as roof repair/replacement, tuckpointing, flashing repair and energy retrofits; and 3) Building envelop repair including door, window, siding replacement, staining. Priorities are:

- Projects with the greatest risk, and as outlined above.
- Project location – statewide at most of our 225+ sites.

Impact on Agency Operating Budgets (Facilities Notes)

The department has an identified backlog of building asset preservation needs in excess of \$16 million. Funding this request will help the DNR to address the backlog of asset preservation and building renewal projects. Adequate funding for maintenance and repair needs will result in lower future obligations for more costly repair and replacement. If this proposal is not funded, important building renewal projects will be left undone. Not maintaining buildings in a timely manner results in eroded capital values and high maintenance costs to address a higher than necessary rate of facility deterioration and emergency work.

Previous Appropriations for this Project

L2011, 1SS, Ch. 12	Bond	\$17,000,000
L2010, Ch. 189	Bond	1,000,000
L2009, Ch. 93	Bond	1,000,000
L2008, Ch. 179	Bond	1,000,000
L2006, Ch. 258	Bond	2,000,000
L2005, Ch. 20	Bond	2,000,000
L2002, Ch. 393	Bond	2,600,000
L2000, Ch. 492	Bond	2,000,000

Asset Preservation

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.

DNR manages its asset preservation appropriation in accordance with M.S. 84.946, Natural Resources Asset Preservation and Replacement (NRAPR).

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Governor's Recommendations

The Governor recommends general obligation bonding of \$3 million for this request. Also included are budget planning estimates of \$3 million in 2014 and 2016.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	559	570	570	570	2,269
4. Project Management	252	252	252	252	1,008
5. Construction Costs	8,655	9,103	9,103	9,103	35,964
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	9,734	75	75	75	9,959
9. Inflation	0	0	0	0	0
TOTAL	19,200	10,000	10,000	10,000	49,200

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
G.O Bonds/State Bldgs	19,200	10,000	10,000	10,000	49,200
State Funds Subtotal	19,200	10,000	10,000	10,000	49,200
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	19,200	10,000	10,000	10,000	49,200

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	10,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017

Water Access Renewal/Aquatic Invasive Species

2012 STATE APPROPRIATION REQUEST: \$12,000,000

AGENCY PROJECT PRIORITY: 4 of 22

PROJECT LOCATION:

Project At A Glance

- Construct a deterrent barrier for Asian carp
- Implement aquatic invasive species (AIS) Best Management Practices and improvements to existing public water access sites
- Pilot 2-3 AIS decontamination stations at or near water accesses
- Design and redevelop existing public water access sites to provide better environmental outcomes and better serve user needs.

Project Description

This request for \$12 million in state funds is for design and construction of an Asian carp deterrent barrier, redeveloping and improving the design of public water access sites to implement best management practices (BMPs) for shoreland management, aquatic invasive species (AIS) management and universal design (ADA) components. Decontamination stations will be provided to help prevent the spread of zebra mussels and other aquatic invasive species. Zebra mussels pose serious ecological and economic threats to Minnesota’s lakes and streams.

State law requires boaters to do the following:

- Remove visible aquatic plants and zebra mussels from boats and trailers before leaving a water access; and
- Drain water from boat, livewell, bilge, and impellor by removing drain plugs and open water draining devices before leaving a water access.

To help boaters meet the requirements of the law, the DNR will pilot 2-3 decontamination stations (hot water, high pressure spray washers) at or near water accesses to help prevent the spread of Zebra mussels and other AIS.

The stations will provide for spraying boat, trailer, and other water related equipment with a high pressure sprayer using hot water (140°).

This appropriation will also accelerate the frequency in which facilities are renewed and rehabilitated in order to provide enhanced environmental outcomes, to keep up with public demand for modern facilities and to address aging infrastructure. Priority sites will be evaluated, designed and developed to meet the most current standards including storm water management, shoreline protection and universal design (ADA) components. Native shore line areas can inhibit the establishment of invasive plants and can improve water quality.

In July 2011, 22 of 50 water samples taken from the St. Croix tested positive for Silver carp. Subsequent efforts to catch Silver carp in the study area were unsuccessful, but their potential presence highlights the need to implement measures to deter the upstream migration of Asian carp. Construction of an acoustic/bubble or electronic barrier may help prevent Asian carp from moving up the St. Croix and Mississippi Rivers.

Impact on Agency Operating Budgets (Facilities Notes)

In most cases, facility renewal and rehabilitation have a positive benefit to existing operating budgets through reductions in necessary daily maintenance. There will be ongoing costs for staffing and maintenance of decontamination stations.

Previous Appropriations for this Project

Water Access Acquisition, Rehabilitation and Development

L2008, Ch. 179	Bond	\$ 650,000
L2006, Ch. 258	Bond	\$3,000,000
L2005, Ch. 20	Bond	\$2,000,000
L2003, Ch. 128	Env Trust	\$1,150,000

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.

Water Access Renewal/Aquatic Invasive Species

The broad impacts of AIS to Minnesota's lakes and rivers are yet to be determined. Once established, aquatic invasive species are costly to manage and become perpetual problems. Unintended transport on boats and other water related equipment is believed to be the primary means of their spread. Preventing the spread is therefore focused on people and their habits.

Laws of 2011 provided authority to increase aquatic invasive species inspection and enforcement efforts and the Legislative-Citizen Commission on Minnesota Resources (LCCMR) recommended one time funding for FY 2012-13 to accelerate prevention efforts. This request will complement the new inspection authorities by providing decontamination stations at strategic locations.

Bonding funds are eligible for a federal match to support the acquisition, development, and renewal of public water access sites. Renewal and rehabilitation of access sites directly employs non-state contractors, and involves purchases from Minnesota businesses for supplies needed to accomplish the improvements.

Minnesota ranks third in the nation for registered water craft (with over 814,000 in 2010) and ranks first in the nation for registered boats per capita (one boat for every six people). DNR currently manages approximately 1,595 public water access sites state-wide. Boaters, anglers, lake shore owners, resort users all create demand for high-quality public water access facilities. Providing safe, accessible, ecologically sound water access facilities has a direct impact on user satisfaction. Users of public access facilities help support local economies. In 2004, state-owned public access sites supported an estimated \$46 million in total spending.

The Lessard Sams Outdoor Heritage Council recommended an appropriation of \$3,000,000 in FY13 for a plan to control Asian carp by installing a barrier at the mouth of the St. Croix River. This recommendation includes a 1:1 match requirement and this capital bonding request would provide matching and other funds for construction of a barrier.

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Governor's Recommendations

The Governor recommends general obligation bonding of \$12 million for this request. Also included are budget planning estimates of \$7 million in 2014 and 2016.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	1,050	800	800	800	3,450
2. Predesign Fees	0	0	0	0	0
3. Design Fees	910	1,550	960	960	4,380
4. Project Management	0	850	350	350	1,550
5. Construction Costs	4,300	8,800	4,800	4,800	22,700
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	540	0	90	90	720
9. Inflation	0	0	0	0	0
TOTAL	6,800	12,000	7,000	7,000	32,800

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
G.O Bonds/State Bldgs	5,650	12,000	7,000	7,000	31,650
Env & Natural Resoures	1,150	0	0	0	1,150
State Funds Subtotal	6,800	12,000	7,000	7,000	32,800
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	6,800	12,000	7,000	7,000	32,800

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	12,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017

Groundwater Monitoring, Observation Wells

2012 STATE APPROPRIATION REQUEST: \$500,000

AGENCY PROJECT PRIORITY: 5 of 22

PROJECT LOCATION:

Project At A Glance

- Expand and upgrade the network for monitoring ground water levels in selected priority areas

Project Description

This request for \$500,000 in state funds is to install new ground water level monitoring wells (also known as observation wells) and replace failing wells in selected priority areas where the well network is inadequate. Quality data is necessary to assess ground water availability for water supply planning. In addition, some funds may be used to seal existing monitoring wells that are no longer needed or functional.

- \$400,000 for contracts with well drillers; and
- \$100,000 for the Department of Natural Resources (DNR) for drilling activities.

The number of ground water monitoring wells has remained constant at approximately 750 wells for many years. The goal of the program and monitoring well network is to collect long-term water level data for aquifers in the state. 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. Other groups, especially counties, consultants, the Department of Health, Minnesota Pollution Control Agency, Department of Agriculture, and the Metropolitan Council use this information for ground water evaluation and planning purposes.

Approximately four deep wells (in various aquifers) would be installed and 20 wells of shallow depths would be replaced throughout the state. These areas have aquifers under intensive use and it is essential to learn more about these aquifers to be able to provide for sustainable use management. Example priority areas include the western side of the state from Moorhead to Worthington, Brooten, Rochester, and the Park Rapids area.

Impact on Agency Operating Budgets (Facilities Notes)

This funding would have a minimal impact on the operating budget as the majority of this funding would be used to hire well drilling contractors to construct or rehabilitate wells to expand the network.

Previous Appropriations for this Project

L2011, 1SS, Ch. 12	Bond	\$	600,000
L2011, 1SS, Ch. 6	Clean Water Fund		1,000,000
L2010 Ch. 189 Subd. 4	Bond		1,000,000
L2010 Ch. 361 Sec. 4 subd. 2	Legacy		4,000,000
L2008, Ch. 179 Subd. 5	Bond		500,000

The legacy funds include dollars for activities that are not bondable.

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.

DNR prepared two reports that identify the need for expanded monitors of ground water resources. The unmet need exceeds \$1 million annually for the foreseeable future.

- Long term protection of the state’s surface water and ground water resource – January 10, 2011.
- Ground water: Plan to develop a ground water level monitoring network for the eleven county metropolitan areas – October, 2009.

Groundwater Monitoring, Observation Wells**Project Contact Person**

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Governor's Recommendations

The Governor recommends general obligation bonding of \$500,000 for this request. Also included are budget planning estimates of \$500,000 in 2014 and 2016.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	275	25	50	50	400
5. Construction Costs	5,225	475	950	950	7,600
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	5,500	500	1,000	1,000	8,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
G.O Bonds/State Bldgs	1,500	500	1,000	1,000	4,000
Clean Water Fund	4,000	0	0	0	4,000
State Funds Subtotal	5,500	500	1,000	1,000	8,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	5,500	500	1,000	1,000	8,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	500	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017

RIM Critical Habitat Match

2012 STATE APPROPRIATION REQUEST: \$3,000,000

AGENCY PROJECT PRIORITY: 6 of 22

PROJECT LOCATION:

Project At A Glance

- To match private donations of cash and land through the RIM Critical Habitat Match Program for the acquisition and improvement of critical fish, wildlife, and native plant habitat.

Project Description

Request for \$3 million in state funds will leverage an equal amount in 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. This program provides for the acquisition and improvement of land for wildlife management areas, scientific and natural areas, aquatic management areas, state parks, and state forests. The RIM Critical Habitat Match Program is an innovative and cost-effective program leveraging state investments with equal investments in private donations of land or cash. Since 1986, more than \$46 million in private donations has been leveraged in the protection (78,150 acres) and enhancement (45,500 acres) of critical habitat through this program.

Currently, the primary source of state match funding is \$3.5 million in annual proceeds generated by the Critical Habitat License Plate Program (M.S. 168.1296, subd. 5) that are credited to the RIM Matching Account (M.S. 84.943). Four new plates were recently added for purchase and display on motor vehicles in the state. However, demand for this program continues to exceed state funding, resulting in the potential loss of key conservation opportunities. The value of cash and land parcel donations to the RIM Critical Habitat Match Program has ranged from \$500,000 to \$4 million per year, averaging about \$1.6 million annually. Currently, pledged donations exceed available state matching dollars available through the Critical Habitat License Plate Program.

Impact on Agency Operating Budgets (Facilities Notes)

This program has minimal impact on existing operating budgets.

Previous Appropriations for this Project

L2010, Ch. 189	Bond	\$3,000,000
L2008, Ch. 179	Bond	3,000,000
L2005, Ch. 20	Bond	2,000,000
L2003, SS1, Ch.1	Env. Trust	400,000
L2002, Ch. 393	Bond	400,000

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.

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Governor's Recommendations

The Governor recommends general obligation bonding of \$3 million for this request. Also included are budget planning estimates of \$3 million in 2014 and 2016.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	8,800	3,000	3,000	3,000	17,800
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	8,800	3,000	3,000	3,000	17,800

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
G.O Bonds/State Bldgs	8,400	3,000	3,000	3,000	17,400
Env & Natural Resoures	400	0	0	0	400
State Funds Subtotal	8,800	3,000	3,000	3,000	17,800
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	8,800	3,000	3,000	3,000	17,800

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	3,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017

Roads and Bridges

2012 STATE APPROPRIATION REQUEST: \$8,000,000

AGENCY PROJECT PRIORITY: 7 of 22

PROJECT LOCATION:

Project At A Glance

- Improve safety on over 30 miles of DNR managed roads;
- Repair, replace, and reconstruct bridges, culverts and road surfaces within state parks, state forests, wildlife management areas and other DNR-owned sites; and
- Address the backlog of repairs to an aging infrastructure needed to sustain current and future use of DNR state lands.

Project Description

This request for \$8 million in state funds is to maintain and improve the Department of Natural Resources' (DNR) existing infrastructure of more than 3,000 miles of roads, culverts, and bridges that provide access to over five million acres of state forest lands, state parks and recreation areas, wildlife management areas, and hatcheries. The existing system of DNR roads and bridges is a capital asset worth more than \$100 million that supports the department's ability to achieve its long-standing, three-part mission to provide exceptional recreation opportunities, protect and enhance natural resources, and support economic development.

Engineering studies recommend replacing or upgrading DNR roads and bridges. Bridge replacements and repairs are determined by inspections, which identify deficiencies in the bridges. Addressing these specific road and bridge projects is only part of an ongoing need to maintain and upgrade roads on DNR lands. Funds from this request will rehabilitate roads in state forests, state parks and in wildlife management areas.

The commissioner is directed in M.S. 89.002 to maintain a system of forest roads and trails that provides access to state forests and other forest lands

under the commissioner's authority. This system of forest roads and bridges provides access to carry out management activities necessary to maintain healthy, productive, and sustainable state forests. Maintaining the DNR road infrastructure is also critical to ensuring safe public access to state lands. Increasing recreational use of roads and bridges, along with increasing demand for all-season logging access, are placing greater strain on an already deteriorating infrastructure.

Impact on Agency Operating Budgets (Facilities Notes)

There will be minimal impact on the operating budgets.

Previous Appropriations for this Project

L2011 1SS, Ch. 12	Bond	\$4,800,000
L2010, Ch. 189	Bond	1,000,000
L2008, Ch. 179	Bond	1,000,000
L2006, Ch. 258	Bond	1,000,000
L2005, Ch. 20	Bond	300,000
L2002, Ch. 393	Bond	1,200,000
L2002, Ch. 374	Bond	750,000
L2000, Ch. 492	Bond	722,000

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.

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Governor's Recommendations

The Governor recommends general obligation bonding of \$5 million for this request. Also included are budget planning estimates of \$5 million in 2014 and 2016.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	77	60	60	60	257
4. Project Management	2,362	1,300	1,300	1,300	6,262
5. Construction Costs	11,230	6,640	6,640	6,640	31,150
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	13,669	8,000	8,000	8,000	37,669

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
G.O Bonds/State Bldgs	13,669	8,000	8,000	8,000	37,669
State Funds Subtotal	13,669	8,000	8,000	8,000	37,669
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	13,669	8,000	8,000	8,000	37,669

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	8,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017

State Land Reforestation and Stand Improvement

2012 STATE APPROPRIATION REQUEST: \$6,000,000

AGENCY PROJECT PRIORITY: 8 of 22

PROJECT LOCATION:

Project At A Glance

- \$3.8 million for planting and seeding 18,500 acres of state forest land and wildlife management area land and for practices for ensuring seedling survival and establishment.
- \$2 million for preparing 8,000 acres for planting to help insure the successful establishment of trees.
- \$0.2 million to promote and enhance forest health and productivity through stand improvement practices on about 1,000 acres of state forest land and wildlife management area land.

Project Description

This request is for \$6 million in state bond funds for reforestation and stand improvement. Minnesota Statutes, section 89.002, subd. 2 requires:

- 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.

The reforestation and stand improvement programs present ongoing needs of the Department of Natural Resources (DNR). 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, and 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 the healthiest, desirable trees and 2) treat older tree stands that are now non-commercial due to low volume and/or a significant amount of insect and disease damage. While these stands currently have low value for traditional timber markets, they are likely to provide significant volumes of woody biomass for renewable energy.

Forest stand improvement will increase the value of Minnesota’s forests for both the wood using industry and for meeting continual recreational needs. Improvements will create forest stands characterized by healthy trees that are faster growing, have fewer limbs, and straighter trunks. These forests will be more fire resistant, produce a higher value tree crop, and be more aesthetically pleasing to the general public seeking recreation centered on forests.

Improving our forests’ health and productivity has many co-benefits including: 1) local economic development for area loggers and the forest products industry; 2) an additional source of biomass to be used for renewable energy; and 3) fuels reduction and fire mitigation in fire-prone areas.

State Land Reforestation and Stand Improvement

Impact on Agency Operating Budgets (Facilities Notes)

This appropriation would have minimal impact on the operating budgets.

Previous Appropriations for this Project

Laws 2010, Ch. 189	Bond	\$3,000,000
Laws 2008, Ch. 179	Bond	3,000,000
Laws 2006, Ch. 258	Bond	4,000,000
Laws 2005, Ch. 20	Bond	2,000,000

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...”

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Governor's Recommendations

The Governor does not recommend capital funding for this request.

Natural Resources, Department of
State Land Reforestation and Stand Improvement

Project Detail
 (\$ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	600	800	800	2,200
5. Construction Costs	12,000	5,400	7,200	7,200	31,800
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	12,000	6,000	8,000	8,000	34,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
G.O Bonds/State Bldgs	12,000	6,000	8,000	8,000	34,000
State Funds Subtotal	12,000	6,000	8,000	8,000	34,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	12,000	6,000	8,000	8,000	34,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	6,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017

Buildings and Facilities Master Plan Implementation

2012 STATE APPROPRIATION REQUEST: \$10,000,000

AGENCY PROJECT PRIORITY: 9 of 22

PROJECT LOCATION:

Project At A Glance

- Investing in DNR buildings to achieve long-term cost control;
- Optimizing DNR building portfolio's contribution to integrated natural resource management; and
- Aligning DNR buildings with DNR's Strategic Plan.

Project Description

This request 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:

- Site and configure 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.

Specific work included in this request is the co-location of adjacent facilities and replacement of buildings no longer capable of supporting DNR operations.

Opportunities for significant cost savings, increased efficiencies, energy savings, and greater integration of natural resource work through co-location occur in Kandiyohi County where DNR operates out of four closely situated sites: Sibley State Park and multi-discipline offices at New London, Willmar and Spicer. Similar situations occur in other counties also, such as Beltrami, Carlton, Crow Wing, Morrison, Pine, and Sherburne.

In addition to co-locations, there are a number of DNR buildings that no longer serve their intended purpose, have reached the end of their usefulness, and are not cost effective to repair. The office at Glenwood is an old house with poor heating and ventilation, spaces inefficiently configured for offices, and which is not code-compliant or rodent proof. Several wildlife management areas have buildings in poor condition and shops that are no longer large enough to accommodate increasingly larger equipment.

Currently, DNR has a number of small storage sites, both owned and leased, scattered throughout the state. Often, decisions that led to many of the sites were made quickly and without a broad enough perspective. DNR is moving to a more planned approach, and will construct 10 – 15 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.

Impact on Agency Operating Budgets (Facilities Notes)

DNR anticipates that the combination of fewer buildings and more efficient buildings will result in a 10 percent reduction of operating costs in the near term, with additional savings in the long term.

Previous Appropriations for this Project

None

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 that co-location of DNR sites will enhance outdoor recreation opportunities by focusing delivery at key locations. Currently, there are sites with multiple DNR buildings, and it is not always clear which buildings provides the service a customer is seeking.

Buildings and Facilities Master Plan Implementation

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

DNR has over 200 sites located throughout the state. Projects funded by this request will result in jobs for a wide variety of construction trades in all areas of the state.

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Governor's Recommendations

The Governor does not recommend capital funding for this request.

Natural Resources, Department of
Buildings and Facilities Master Plan Implementation

Project Detail
 (\$ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	97	97	97	291
3. Design Fees	0	777	777	777	2,331
4. Project Management	0	221	221	221	663
5. Construction Costs	0	7,800	7,800	7,800	23,400
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	1,105	1,105	1,105	3,315
9. Inflation	0	0	0	0	0
TOTAL	0	10,000	10,000	10,000	30,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	10,000	10,000	10,000	30,000
State Funds Subtotal	0	10,000	10,000	10,000	30,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	10,000	10,000	10,000	30,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	10,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017

Fish Hatchery Improvements

2012 STATE APPROPRIATION REQUEST: \$3,000,000

AGENCY PROJECT PRIORITY: 10 of 22

PROJECT LOCATION:

Project At A Glance

- Improvements to the Department of Natural Resources' (DNR) fish culture programs and facilities.

Project Description

This request for \$3 million in state funds is needed for regular maintenance and improvements to hatchery facilities. Potential projects include:

- Repairing rearing pond access areas;
- Repairing or replacing raceway covers;
- Installing or upgrading water lines, water effluent system, water treatment equipment, safety equipment, and more efficient heating and cooling systems;
- Distribution tanks for stocking fish;
- Upgrading and maintaining existing drainable ponds;
- Constructing fish holding facilities;
- Upgrading facilities for control of fish pathogens and invasive infections; and
- Upgrades to ensure energy efficiency and increase production capacity.

These funds would complete the construction of additional drainable ponds at the Waterville State Fish Hatchery. Currently the state operates between 325 to 350 walleye rearing ponds in shallow wetlands. By using the bonding dollars to create additional rearing opportunities in excavated ponds on state owned lands, DNR would begin to reduce the need to use natural ponds for rearing walleye and reduce long-term costs of stocking fish.

These funds would provide for system upgrades, production pond maintenance, and completing projects at several cool and warm fish

hatcheries including Bemidji, Spire Valley and New London. The facility upgrades are necessary to improve water quality options for hatching eggs and raising fish for stocking. Improvements will be made to water quality and availability at all of the facilities.

The following are investments into hatcheries statewide: buildings to cover production tanks, and upgrades to improve operations and security; repair water intakes; update oxygen equipment. These upgrades are needed to ensure good fish health; not spread invasive species, and meet the National Pollution Discharge Elimination Permit (NPDES) requirements. Other facilities need upgrades to reduce energy costs through design and implementation for energy efficient changeovers to considering use of solar and geothermal heating, heat exchangers, and water turbines for electricity.

Impact on Agency Operating Budgets (Facilities Notes)

There would be no major impacts on the agency's operating budget. The Section of Fisheries spends about 18% of its operating budget on fish culture and stocking. The hatchery facilities that would be improved with this request are important components of the state's fish culture program.

Previous Appropriations for this Project

L2008, Ch. 179	Bond	\$1,500,000
L2006, Ch. 258	Bond	1,000,000
L2005, Ch. 20	Bond	1,700,000
L2001, 1SS, Ch. 2	Env. Trust	145,000

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 fish culture and stocking program has an ongoing annual capital investment of \$1 million.

Fish Hatchery Improvements**Project Contact Person**

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Governor's Recommendations

The Governor does not recommend capital funding for this request.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	4,345	3,000	3,000	3,000	13,345
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	4,345	3,000	3,000	3,000	13,345

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
G.O Bonds/State Bldgs	4,200	3,000	3,000	3,000	13,200
Env & Natural Resoures	145	0	0	0	145
State Funds Subtotal	4,345	3,000	3,000	3,000	13,345
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	4,345	3,000	3,000	3,000	13,345

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	3,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017

Connecting People to the Outdoors/Parks and Trails Development

2012 STATE APPROPRIATION REQUEST: \$30,500,000

AGENCY PROJECT PRIORITY: 11 of 22

PROJECT LOCATION:

Project At A Glance

- Renew Parks, Trails and Other Recreational Facilities
- Develop and Renew Camping Opportunities
- Develop New Recreational and Skill Building Opportunities
- Develop Key Trails
- Acquire Key Park and Trail Parcels
- Reconstruct Native Prairie and Forest

Project Description

This request is for \$30.5 million in state funds to acquire and develop parks and trails. Minnesota's State Park and Trail system plays a unique and important role in providing recreation opportunities to Minnesotans and out of state tourists.

Minnesota's state park system is over 100 years old and includes 67 state parks, 7 state recreation areas, 8 waysides and 54 state forest campgrounds and day use areas and contains 1,600 buildings, 332 miles of roads, and 1,277 miles of in-park trails. Within the Department of Natural Resources (DNR) system are 132 state park and recreation area campgrounds, 50 state forest campgrounds, 55 group camps, and 13 equestrian campgrounds. Many of these campgrounds were constructed 50 to 75 years ago.

The DNR has nearly 600 miles of paved trails and thousands of miles of natural surface trails. These trails include over 100 recreational bridges that are over 100 years old and well over 300 bridges of varying ages that all require periodic rehabilitation or replacement.

Renew Parks and Trails -- \$15 million

\$15 million is for renewal, modification or replacement of buildings and recreational infrastructure in state parks, state recreation areas, state trails, small craft harbors/marinas, fishing pier sites, and state forests. Deferred renewal in these areas exceeds \$90 million. A recent budget analysis (11/09) recommended that DNR Parks and Trails needs to spend \$10 million per year to complete deferred maintenance/renewal projects. Enhancing safety is the highest concern. Protecting the state's investment, providing accessibility for all users, preventing erosion and other resource impacts, and increasing visitor use are all high priorities.

Typical projects funded in parks include: utility upgrades; historical facility renewal and adaptation to new uses; accessibility improvements; erosion control projects; structural repair and building renewal, and energy improvements. Enhancing accessibility for all users, energy conservation and safety are high priorities. Parks with priority projects include Soudan Underground Mine, William O'Brien and Sibley.

Typical trail projects funded with this type of request would be bridge renewal and replacement, paved and aggregate trail resurfacing, culvert replacements, erosion control projects, trail alignments and accessibility improvements. Priority project locations include: Munger, Root River, Sakatah and Glacial Lakes state trails and Itasca State Park bike trail.

Develop Camping Opportunities -- \$6 million

\$6 million is to develop new camping opportunities to meet the needs of key markets, to complete a new state-of-the art campground and to renew aging camping facilities. Deferred renewal projects for campgrounds exceed \$35 million. Specifically, this proposal will fund the development of up to 24 camper cabins that offer reasonably priced rustic lodging to meet the needs of key target markets for state park use such as young families and single parents with children; the development of 48 new state-of-the-art campsites at Split Rock Lighthouse State Park grouped to accommodate tents, trails and RV units comfortably with adequate screening and vegetative buffers; and finally, to rehabilitate and redesign aging camping facilities and group sites. In addition, these funds would be used for the development of self-registration plazas and energy conservation projects.

Connecting People to the Outdoors/Parks and Trails Development

Develop Key Trails -- \$5.5 million

\$5.5 million is to develop key segments of state trails and to provide funding to complete segments that only have partial funding. Project priorities include Blufflands, Blazing Star, Brown's Creek, Casey Jones, Cuyuna, Gateway, Gitchi-Gami, Heartland, Milltowns, Paul Bunyan and Shooting Star state trails.

Develop New Recreational Opportunities-- \$1 million

\$1 million is to develop new natural resource based outdoor recreation facilities that provide access to the outdoors and will facilitate outdoor recreation experiences. Specific projects include development of two to three family friendly archery ranges; two to three nature play and skill development areas; and ten or more new fishing piers or shore fishing access sites.

Acquire Parks and Trails -- \$2.5 million

\$2.5 million is to acquire land from willing sellers within the statutory boundaries of state park and recreation areas and along statutorily authorized state trail corridors. Approximately 54,000 acres of state park lands remain in private holdings and nearly half of the state trail mileage remains to be acquired and developed. Trail project priorities include Des Moines, Glacial Lakes, Milltowns, Minnesota River, and Camp Ripley/Veteran's Trail.

Reconstruct Native Prairie and Forest -- \$0.5 million

\$0.5 million is to restore approximately 1,000 acres of native prairie and forest communities. These funds will also be used to restore approximately 1,000 acres of native prairie and forest communities. Approximately 13,700 acres of the division of Parks and Trails administered lands have been identified for reconstruction to native prairie and more than 5,000 acres to be restored to native forest communities.

Impact on Agency Operating Budgets (Facilities Notes)

Rehabilitation, Renewal and Reconstruction efforts lessen operational budget expenditures by reducing the amount of periodic and emergency maintenance required, along with reducing energy costs through conservation.

Previous Appropriations for this Project

This section excludes pass through funding that may be used for similar purposes.

Acquisition, development, and rehabilitation		
L2011, 1SS, Ch.6	P&T Fund	\$5,000,000

State Park Building and Infrastructure Rehabilitation and Development

L2010, Ch. 189	Bond	\$4,659,000
L2008, Ch. 179	Bond	20,641,000
L2006, Ch. 258	Bond	8,000,000
L2005, Ch. 20	Bond	7,910,000
L2003, 1SS, Ch. 20	Bond	475,000

Partially Related to This Project (also related to DNR Water Access/AIS proposal):

Trail Acquisition, Rehabilitation and Development

L2011, 1SS, Ch. 12	Bond	\$5,800,000
L2010, Ch. 189	Bond	4,000,000
L2009, Ch. 143	Env Trust	1,000,000
L2008, Ch. 179	Bond	15,320,000
L2006, Ch. 258	Bond	10,811,000
L2005, 1SS, Ch. 1	Env Trust	2,100,000
L2005, Ch. 20	Bond	7,910,000
L2003, Ch. 128	Env Trust	1,300,000
L2003, 1SS, Ch. 20	Bond	475,000

Water Access Acquisition, Rehabilitation and Development

L2008, Ch. 179	Bond	\$ 650,000
L2006, Ch. 258	Bond	3,000,000
L2005, Ch. 20	Bond	2,000,000
L2003, Ch. 128	Env Trust	1,150,000

Connecting People to the Outdoors/Parks and Trails Development

State Park Acquisition		
L2011, 1SS, Ch.6	P&T Fund	\$2,100,000
L2010 Ch. 189 sec. 7 sub 14	Bond	2,150,000
L2010, Ch. 362	Env Trust	1,750,000
L2009, Ch. 143	Env Trust	590,000
L2008, Ch. 179	Bond	2,400,000
L2007, Ch. 30	Env Trust	1,500,000 (includes Trails)
L2006, Ch. 258	Bond	3,000,000
L2005, Ch. 20	Bond	2,500,000

Prairie and Forest		
L2009, Ch. 172	Legacy	\$1,200,000
L2008 Ch. 179	Bond	545,000
L2006 Ch. 258	Bond	90,000
L2005 Ch 20	Bond	200,000
L2002	Bond	960,000

Lake Superior Safe Harbors		
L2006, Ch. 258	Bond	\$3,000,000
L2005, Ch. 20	Bond	2,000,000

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. Providing safe, accessible, energy-efficient recreational facilities will have a direct impact on user satisfaction.

Investing in maintaining our park and trail infrastructure while providing new opportunities is a key component in accomplishing this goal. 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 parks and trails are the cornerstone to our \$11 billion tourism economy. 2010 saw a jump in state park visitors – over 9.5 million in day use, plus another 900,000+ campers. In addition, many of these projects result in local construction jobs. Each dollar spent on construction generates an estimated \$2.02 of economic activity within local communities. Each day-use visit at a state park generates an estimated \$26 of economic activity per

visitor. In addition, a \$2 million investment in camper cabins generates an estimated annual return to state park operations of \$125,000.

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Governor's Recommendations

The Governor recommends general obligation bonding of \$5 million for this request. Also included for planning estimates are \$5 million in 2014 and 2016.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	0	2,500	2,500	2,500	7,500
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	4,500	4,500	4,500	13,500
4. Project Management	0	100	100	100	300
5. Construction Costs	0	23,400	23,400	23,400	70,200
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	30,500	30,500	30,500	91,500

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	30,500	30,500	30,500	91,500
State Funds Subtotal	0	30,500	30,500	30,500	91,500
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	30,500	30,500	30,500	91,500

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	30,500	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017

Vermilion State Park Development

2012 STATE APPROPRIATION REQUEST: \$13,000,000

AGENCY PROJECT PRIORITY: 12 of 22

PROJECT LOCATION:

Project At A Glance

Pre-design, design, and construction of new recreational facilities include:

- Camping areas, camper cabins and yurts, and boat-in campsites; and
- Utility systems and roads.

Project Description

This request for \$13 million in state funds is to construct new recreational facilities at Lake Vermilion State Park and Soudan Underground Mine State Park. This appropriation provides for construction of the contact station, two campgrounds, including the utilities, and pre-design for future facilities.

Lake Vermilion State Park was established in 2008 by the Minnesota Legislature, and the Lake Vermilion / Soudan Underground Mine Cooperative Master Plan was completed in December 2010. Lake Vermilion and Soudan Underground Mine will be managed jointly by a single financial and operational structure. Lake Vermilion State Park contains 3,034 acres and approximately five miles of undeveloped shoreline. Soudan Underground Mine State Park contains 1,051 acres and adds an additional five miles of shoreline. The goal for development of the combined park area is to provide new nature-based recreational opportunities that will encourage healthy, active lifestyles and engage increasingly diverse users in a growing appreciation for outdoor activities.

Development of the two parks will include the following: day use areas, hiking trails, bicycle trails, snowmobile trails, a boat launch area, a lake lodge, an outdoor-skill building area, three camping areas, a number of boat-in camping sites, a mine heritage center, camper cabins and yurts, utility and roadway infrastructure, and administrative offices.

Partners in development of Lake Vermilion State Park and Soudan Underground Mine State Park include Breitung Township and Saint Louis County (roadway development), the St. Louis and Lake County Regional Rail Authority (Mesabi Trail development through the park), and the Bois Forte Band of Chippewa (cultural resource interpretation). A number of additional supporters, business owners, and recreational user groups participated in the master planning process.

Impact on Agency Operating Budgets (Facilities Notes)

The additional annual operating budget for the Lake Vermilion State Park property is estimated at \$500,000, which will be offset by revenue from entrance permits, camping and lodging fees, and equipment rentals.

Previous Appropriations:

Acquisition and Limited Initial Development:		
L2011, 1SS, Ch. 12	Bond	\$8,000,000
L2008 Ch. 365	Bond	20,000,000

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 DNR's *A Strategic Conservation Agenda 2009-2013* identifies changing participation in outdoor recreation as a key trend influencing natural resource management. Lake Vermilion State Park will provide skill-building areas and camping areas designed to attract young people, families, and diverse communities and will provide opportunities to teach outdoor values. Facilities at Lake Vermilion State Park and Soudan Underground Mine State Park will demonstrate energy efficiency and development will model sustainable land-use practices through preservation of natural shoreline and wetland areas, effective stormwater filtration and management, and restoration of native plant communities.

Vermilion State Park Development**Project Contact Person**

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Governor's Recommendations

The Governor does not recommend capital funding for this request.

Natural Resources, Department of
Vermilion State Park Development

Project Detail
 (\$ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	20,000	0	0	0	20,000
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	2,200	2,200	2,200	6,600
4. Project Management	0	50	50	50	150
5. Construction Costs	0	10,750	10,750	10,750	32,250
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	20,000	13,000	13,000	13,000	59,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
G.O Bonds/State Bldgs	20,000	13,000	13,000	13,000	59,000
State Funds Subtotal	20,000	13,000	13,000	13,000	59,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	20,000	13,000	13,000	13,000	59,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	13,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017

SNA & Native Prairie Bank Acquisition and Development

2012 STATE APPROPRIATION REQUEST: \$5,000,000

AGENCY PROJECT PRIORITY: 13 of 22

PROJECT LOCATION:

Project At A Glance

- Acquisition and designation of approximately 500 acres of state Scientific and Natural Areas (SNAs), conserving native plant communities and rare species of state biodiversity significance;
- Acquisition of Native Prairie Bank (NPB) conservation easements on approximately 750 acres of privately owned native prairie; and
- Development of approximately 400 acres of SNAs & NPBs in order to buffer and increase the viability of native plant communities as habitat for wildlife and rare species.

Project Description

This request is for \$5 million in state bond funds to acquire and develop lands as state Scientific and Natural Areas (SNAs) and permanent Native Prairie Bank (NPB) conservation easements. This will permanently protect and provide public access to native prairie, savanna, forest, fen, wetlands, and rock outcrop communities of biodiversity significance and their rare plants and animals and other Species of Greatest Conservation Need (SGCN). This 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. All sites targeted for acquisition are identified by the Minnesota County Biological Survey (MCBS).

Scientific and Natural Areas (SNA) Acquisition: \$2,500,000

SNAs are sites of statewide significance that preserve examples of rare plant communities, species and geological features and also provide outdoor recreation opportunities (M.S. 86A.05, Subd. 5). At present, 152 SNAs encompass about 184,000 acres, including about 146,700 acres in 18 peatlands protected by the Wetland Conservation Act of 1991. The long-term acquisition target for this program is 19,800 acres. This request will fund acquisition of approximately 500 acres of SNAs.

Native Prairie Bank (NPB) Easement Acquisition: \$2,100,000

Less than 2 percent remains of the state's 18 million acres of native prairie, of which about 100,000 acres are unprotected. Native prairies provide significant ecological benefits – as home to more than 100 species of rare plants and animals and habitat for nesting waterfowl, pheasant, and other upland nesting birds. Native prairies also contribute to agriculture by supporting grazing, haying, seed production, and providing biomass for energy.

The *Native Prairie Bank Program* (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. To date, 100 NPBs encompass over 8,000 acres. The tracts must be predominately unplowed native prairie vegetation. Landowners receive a payment for agreeing to preserve their native prairie. In return, the ecological values of prairies are maintained. The easements are permanent with negotiated conditions that can allow for grazing, haying, or seed production. About \$2.1 million of this funding request would be used to enroll approximately 750 acres of native prairie on an estimated 10 tracts of private land in the NPB program. The long-term acquisition target for this program is 14,000 acres of NPB.

SNA & NPB Development: \$400,000

SNA and NPB development ensures that biological diversity is retained and prevents the loss of important species, plant communities, and features. The habitat value and public use will be improved through development activities such as removal of woody encroachment, seed collection, and replanting, as well as fencing and signing. This request will support development on approximately 400 acres.

SNA & Native Prairie Bank Acquisition and Development

Impact on Agency Operating Budgets (Facilities Notes)

As new SNAs and NPBs are acquired, some increases in annual operating costs are expected. However, acquisition of lands adjacent to existing sites may result in efficiencies due to improved land management.

Previous Appropriations for this Project (in dollars)

This section excludes pass through funding that may be used for similar purposes.

L2011, 1SS, Ch. 6	Outdoor Heritage	\$1,070,000
L2011, 1SS, Ch. 2	Env. Trust	1,640,000 (SNA)
L2011, 1SS, Ch. 2	Env. Trust	1,000,000 (NP)
L2011, 1SS, Ch. 6	Outdoor Heritage	460,000
L2010, Ch. 361	Outdoor Heritage	2,085,000
L2010, Ch. 362	Trust Fund	1,750,000
L2009, Ch. 143	Trust Fund	590,000
L2008, Ch. 179	Bond	5,000,000
L2008, Ch. 367	Trust Fund	2,545,000
L2006, Ch. 258	Bond	3,000,000
L2005, 1SS, Ch. 1	Trust Fund	667,000
L2005, Ch. 20	Bond	1,300,000
L2003, Ch. 128	Trust Fund	1,180,600
L2003, 1SS, Ch. 20	Bond	3,000,000
L2001, 1SS, Ch. 2	Trust Fund	755,000
L2000, Ch. 492	Bond	1,500,000

*All Trust Fund and legacy funding includes dollars for activities that are not all bondable.

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.

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Governor's Recommendations

The Governor does not recommend capital funding for this request.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	17,925	4,500	9,000	9,000	40,425
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	313	100	200	200	813
5. Construction Costs	5,683	400	800	800	7,683
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	23,921	5,000	10,000	10,000	48,921

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
G.O Bonds/State Bldgs	13,800	5,000	10,000	10,000	38,800
Env & Natural Resoures	8,036	0	0	0	8,036
Infrastructure Dev	2,085	0	0	0	2,085
State Funds Subtotal	23,921	5,000	10,000	10,000	48,921
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	23,921	5,000	10,000	10,000	48,921

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	5,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017

WMA/AMA Acquisition and Development

2012 STATE APPROPRIATION REQUEST: \$5,000,000

AGENCY PROJECT PRIORITY: 14 of 22

PROJECT LOCATION:

Project At A Glance

- Acquire new WMA and AMA parcels; and
- Develop and improve facilities on WMA and AMA units.

Project Description

This request for \$5 million in state funds is to acquire, develop, and improve lands for wildlife management areas (WMAs) and aquatic management areas (AMAs) expansion.

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 and over 890 miles of shoreland AMAs. 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 and AMAs are also important for conserving surface water, preserving unique vegetation, and enhancing natural beauty and open space.

This funding will accelerate the strategic acquisition of WMAs and AMAs, consistent with both the WMA and AMA Citizens Advisory Committee acquisition plans.

Projects may occur anywhere within the state, depending on priorities, risk of development, and potential partners. Collaborative partnerships will be promoted in order to acquire key lands. Overall priority will be given to acquiring regionally significant fish and wildlife habitat that will build on existing shoreline habitat and provide angler and hunter access.

This request is also to develop and improve facilities for user access amenities and public land management on WMA and AMA land. The Department of Natural Resources (DNR) manages over 1,800 WMAs and AMAs across Minnesota. Facilities such as access roads, bridges, parking lots, initial boundary surveys, and sign posting provide user access and natural resource management benefits to the public lands. Project prioritizing criteria include: safety and structure condition; access development with high recreational user potential and maximum fish and wildlife management benefit; and projects that build upon existing land improvement projects. These facility-related projects are needed because many of the existing facilities are deteriorating and are in need of replacement to assure that public lands acquired for public use are safe, accessible, and easily identified to the public.

Impact on Agency Operating Budgets (Facilities Notes)

There will be minimal impact on operating budgets.

Previous Appropriations for this Project

This section excludes pass through funding that may be used for similar purposes.

WMA Acquisition & Development:

L2011 1SS, Ch. 6	Outdoor Heritage		\$3,200,000
L2010, Ch 361	Outdoor Heritage Prairie/Grassland		2,764,081
L2010, Ch. 189	Bond		1,000,000
L2009	Outdoor Heritage Prairie/Grassland		3,913,000
	Wetlands		2,900,000
L2008, Ch. 179	Bond		5,000,000
L2006, Ch. 258	Bond		14,000,000
L2005, Ch. 20	Bond	Acq.	10,000,000
		Dev.	600,000
L2002, Ch. 393	Bond	Acq.	400,000
		Dev.	200,000

WMA/AMA Acquisition and Development

AMA Acquisition & Development:

L2011 1SS, Ch. 6	Outdoor Heritage	\$6,500,000
L2010, Ch. 361	Outdoor Heritage	1,775,000
L2009, Ch. 172	Outdoor Heritage	5,748,000
L2008, Ch. 179	Bond	1,000,000
L2006, Ch. 258	Bond	2,000,000
L2005, Ch. 20	Bond	1,050,000

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.

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Governor's Recommendations

The Governor does not recommend capital funding for this request.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	47,120	4,250	8,500	8,500	68,370
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	5,230	750	1,500	1,500	8,980
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	52,350	5,000	10,000	10,000	77,350

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
G.O Bonds/State Bldgs	35,250	5,000	10,000	10,000	60,250
Infrastructure Dev	17,100	0	0	0	17,100
State Funds Subtotal	52,350	5,000	10,000	10,000	77,350
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	52,350	5,000	10,000	10,000	77,350

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	5,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017

Wetland Improvement and Development

2012 STATE APPROPRIATION REQUEST: \$3,000,000

AGENCY PROJECT PRIORITY: 15 of 22

PROJECT LOCATION:

Project At A Glance

- Improvements to water control structures on lands under state control to facilitate management; and
- Provide cost share for the Marsh Lake Dam project on the Minnesota River.

Project Description

This request for \$3 million in state funds is to improve water control structures and acquire easements. The Department of Natural Resources (DNR) manages over 600 dikes, dams, water control structures and fish barriers on shallow lakes and significant wetlands across Minnesota. These structures improve water quality and provide core waterfowl habitat. In order to install new structures, access or flowage easements or fee title acquisitions of private land are sometimes needed to bring the land under state control for public water level management.

Potential projects include:

- Repairing and improving existing water control structures and dikes;
- Breaching an existing dike to allow flowage system to be managed in a natural state;
- Creating a structure to allow lake habitat restoration; and
- Restoring Marsh Lake.

To provide direction and criteria for prioritizing project funding, DNR has developed a water control structure inventory and a plan for *Managing Minnesota's Shallow Lakes for Wildlife*. Principal emphasis is on state wildlife management areas (WMA) and designated wildlife lakes. Project prioritizing criteria include: safety, structure condition, and shallow lakes with high

management potential and maximum wildlife benefit. These projects are needed because many of these large structures are deteriorating and are in need of replacement and upgrading that could include fish barriers. New structures will improve water quality and wildlife habitat.

The Marsh Lake restoration is a federal/state project to modify the federal dam on the Minnesota River to increase the management options on over 5,000 acres of habitat. The U.S. Corps of Engineers estimates the total project cost to be \$10.1 million and the non-federal cost share would be \$3.6 million. The project would be built over the next four years pending federal authorization and funding.

Impact on Agency Operating Budgets (Facilities Notes)

There would be no major impacts on the agency's operating budget. The water control structures that would be improved with this request are important for healthy and sustainable waterfowl component wetlands. Operating budgets have not and will not be adequate to fund the capital nature of these improvements.

Previous Appropriations for this Project

L2011 1SS, Ch. 6	Outdoor Heritage	\$936,000
L2010 Ch. 361	Legacy	1,463,000
L2008 Ch. 179	Bond	500,000
L2006 Ch. 258	Bond	1,000,000

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.

There is over \$1 million per year of unmet need to address the deficiencies of the water control structures.

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Governor's Recommendations

The Governor does not recommend capital funding for this request.

Natural Resources, Department of
Wetland Improvement and Development

Project Detail
 (\$ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	1,500	3,000	3,000	3,000	10,500
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	1,500	3,000	3,000	3,000	10,500

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
G.O Bonds/State Bldgs	1,500	3,000	3,000	3,000	10,500
State Funds Subtotal	1,500	3,000	3,000	3,000	10,500
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	1,500	3,000	3,000	3,000	10,500

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	3,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017

School Trust Fund Land Acquisition

2012 STATE APPROPRIATION REQUEST: \$5,000,000

AGENCY PROJECT PRIORITY: 16 of 22

PROJECT LOCATION:

Project At A Glance

- Acquisition of school trust lands through eminent domain.

Project Description

This request for \$5 million in state funds is to provide for an economic return to the trust. The Department of Natural Resources (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. However, DNR management practices on old growth forests, wildlife management areas, water access sites, and peatland scientific and natural areas limit current revenue generation on these management units.

Approximately 73,300 acres of school trust lands are in designated DNR management units that limit the generation of revenue. DNR also maintains 119 water access sites on school trust lands that do not generate revenue. The table below depicts the preliminary value estimates for each management unit type.

Type	Acres/Site	Value Estimate	Total Estimated Value
Old Growth	20,000 acres	\$900/acre	\$18,000,000.00
WMA	2,400 acres	\$900/acre	\$2,160,000.00
Water Access Sites	119 sites	\$150,000/site	\$17,850,000.00
SNA	50,900	\$500/acre	\$25,450,000.00
		TOTAL	\$63,460,000.00

This request allows DNR, on behalf of the State, to acquire the surface-interest of the school trust lands. In doing so, the DNR will fulfill its fiduciary responsibility to the Permanent School Trust Fund to secure the long-term economic return while maintaining sound natural resource and conversation principles.

Impact on Agency Operating Budgets (Facilities Notes)

This request is not expected to impact existing operating budget.

Previous Appropriations for this Project

None.

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.

M.S. 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.

M.S. 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.”

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School Trust Fund Land Acquisition

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Governor's Recommendations

The Governor does not recommend capital funding for this request.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	0	4,850	9,850	9,850	24,550
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	150	150	150	450
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	5,000	10,000	10,000	25,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	5,000	10,000	10,000	25,000
State Funds Subtotal	0	5,000	10,000	10,000	25,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	5,000	10,000	10,000	25,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	5,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017

Stream Protection and Restoration

2012 STATE APPROPRIATION REQUEST: \$1,500,000

AGENCY PROJECT PRIORITY: 17 of 22

PROJECT LOCATION:

Project At A Glance

- Restores degraded or channelized streams to benefit fish and wildlife habitat and water quality and reduce erosion and flooding impacts from landscape changes;
- Restores fish passage through man-made barriers; and
- Request would fund stream channel pre-design, design and restoration.

Project Description

This request for \$1.5 million in state funds is for pre-design, design, land acquisition, and construction of stream protection and restoration projects. Priority projects include Shady Lake-Zumbro River, Red River and Sand Hill River. Restoration projects include the following activities: channel restoration, dam removal, conversion of dams to rapids, and bank stabilization.

Projects supported by the Stream Habitat Program are designed to decrease maintenance costs and increase stream stability, thereby decreasing downstream erosion and flooding. These projects also restore and reconnect upstream and downstream habitats and provide for increased outdoor recreation opportunities.

Impact on Agency Operating Budgets (Facilities Notes)

No direct impact.

Previous Appropriations for this Project (in dollars)

L2010 Ch. 361	Legacy	\$1,269,000
L2009, Ch. 172	Legacy	2,050,000
L2008, Ch. 179	Bond	1,000,000
L2006, Ch. 258	Bond	2,000,000
L2005, Ch. 20	Bond	500,000
L2003, 1SS Ch. 12	Bond	500,000

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.

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Governor's Recommendations

The Governor does not recommend capital funding for this request.

Natural Resources, Department of
Stream Protection and Restoration

Project Detail
 (\$ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	150	150	150	450
4. Project Management	70	75	75	75	295
5. Construction Costs	7,249	1,275	1,275	1,275	11,074
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	7,319	1,500	1,500	1,500	11,819

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
G.O Bonds/State Bldgs	4,000	1,500	1,500	1,500	8,500
Infrastructure Dev	3,319	0	0	0	3,319
State Funds Subtotal	7,319	1,500	1,500	1,500	11,819
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	7,319	1,500	1,500	1,500	11,819

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,500	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017

Fish Habitat Improvements

2012 STATE APPROPRIATION REQUEST: \$500,000

AGENCY PROJECT PRIORITY: 18 of 22

PROJECT LOCATION:

Project At A Glance

- Cost share with local governments to improve fish passage at culvert crossings; and
- Design and implement projects that would improve, maintain, or enhance fish habitat or fish movement on public lands.

Project Description

Request for \$500,000 to design and implement projects to help address declining aquatic habitat and water quality by providing adequate fish passage and maintain, improve, or expand the amount of critical habitat needed to produce “quality” fish populations and fishing in this state.

Potential projects include:

- Shoreland restorations on public property;
- Installation or upgrades of culverts in cooperation with road authorities to ensure adequate fish passage and decrease erosion; and
- Modifications to stream and lakes to provide additional habitat or protect what is already there.

Specific project areas include the following components:

- Funds for designing and creating additional habitat in lakes may include lake aeration, improvement of spawning areas, bank stabilization, fish barriers, and warm water stream improvement. These activities improve fish populations and provide additional angling opportunity.
- Funds for modifications to stream and lake shores to provide habitat for fish to use for spawning, shelter, and to ensure clean healthy water systems. By reestablishing or protecting critical habitat, lakes and streams will continue to have adequate wild fish populations to maintain

fishing opportunities. Design and implement projects that would improve, maintain, or enhance fish habitat or fish movement on public lands.

- Funds for design and installing larger culverts to provide lower flow velocity that would ensure fish passage. These funds would pay the additional costs of providing the environmental benefits of better fish passage.

Impact on Agency Operating Budgets (Facilities Notes)

There would be no major impacts on the agency’s operating budget. The Section of Fisheries spends about 18% of its operating budget on fish habitat and monitoring work. The projects done under this funding would improve important components of the state’s fish habitat needs.

Previous Appropriations for this Project

L2010 Ch. 362	Env. Trust	\$100,000
L2008 Ch. 189	Env. Trust	200,000

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 agency project priorities are based on the program and it is expected that funding would be distributed across all the programs.

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Fish Habitat Improvements

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Governor's Recommendations

The Governor does not recommend capital funding for this request.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	300	500	500	500	1,800
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	300	500	500	500	1,800

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	500	500	500	1,500
Env & Natural Resoures	300	0	0	0	300
State Funds Subtotal	300	500	500	500	1,800
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	300	500	500	500	1,800

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	500	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017

State Forest Land Acquisition

2012 STATE APPROPRIATION REQUEST: \$1,500,000

AGENCY PROJECT PRIORITY: 19 of 22

PROJECT LOCATION:

Project At A Glance

- Acquire approximately 700 acres of state forest in-holdings and easements to access state forest land from willing sellers.

Project Description

This request for \$1.5 million in state bond funds is to acquire 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.

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% of commercial forest land in the state.

This request will help support efforts outlined in the DNR's *A Strategic Conservation Agenda 2009-2013* for the Division of Forestry Lands Asset Management Program. 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 seven parcels of 700 acres of fee title and access easements will be acquired at this funding level.

Impact on Agency Operating Budgets (Facilities Notes)

These acquisitions will provide management access and consolidate state forest lands, leading to greater management efficiencies and reduce long-term costs.

Previous Appropriations for this Project

L2011, 1SS, Ch. 6	Outdoor Heritage	\$1,562,000
L2006, Chapter 258	Bond	1,000,000
L2005, Chapter 20	Bond	1,500,000

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.

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Governor's Recommendations

The Governor does not recommend capital funding for this request.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	2,500	1,425	2,850	2,850	9,625
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	75	150	150	375
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	2,500	1,500	3,000	3,000	10,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
G.O Bonds/State Bldgs	2,500	1,500	3,000	3,000	10,000
State Funds Subtotal	2,500	1,500	3,000	3,000	10,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	2,500	1,500	3,000	3,000	10,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,500	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017

Minnesota Forests for the Future

2012 STATE APPROPRIATION REQUEST: \$1,500,000

AGENCY PROJECT PRIORITY: 20 of 22

PROJECT LOCATION:

Project At A Glance

- Acquire approximately 8,000 acres of perpetual conservation easements on private forest lands.

Project Description

This request for \$1.5 million in state bond funds is to acquire perpetual easements on private lands primarily within state forest boundaries. This program supports the Department of Natural Resources' (DNR) conservation mission of protecting natural resources, providing outdoor recreation opportunities, and maintaining the health and economic vitality of Minnesota's communities by providing public recreational access, ensure the continuation of sustainable forest management activities, and prevent the fragmentation and loss of productive forest lands.

- Healthy, resilient, and productive forests are fundamental to meeting many goals, from high water quality and abundant wildlife and plant habitat to recreation and timber. Nearly one million acres of large, mostly undeveloped private industrial tracts of Minnesota forests are at risk of being divided into smaller parcels and converted to non-forest uses. Given the recent and dramatic trends in industrial forest ownership, DNR has joined forces with other state, federal and private partners under the banner of the Minnesota Forest Legacy Partnership and the Minnesota Forests for the Future Program to secure permanent, large-scale conservation easements to help maintain these large blocks of undeveloped forest land. These easements will provide for wildlife habitat, a sustainable source of timber for the state's forest industries, and a place for public outdoor recreation including hunting and fishing.

These acquisitions also help address trespass and access problems on state lands.

This request will help fund efforts in DNR's *A Strategic Conservation Agenda*, including the Minnesota Forests for the Future Program. It will provide funding to protect private forests that provide the highest public benefits (economic, recreational, and ecological) while taking advantage of existing opportunities across the forested landscapes in Minnesota.

Impact on Agency Operating Budgets (Facilities Notes)

As new conservation easements are acquired, some increases in annual costs of maintaining and monitoring conservation easements are expected.

Previous Appropriations for this Project

L2011, 1SS, Ch. 6	Outdoor Heritage	\$5,409,000
L2010	Federal	\$3,000,000
L2010 Ch. 189	Bond	500,000
L2009, Ch. 172	Legacy	18,000,000 – 2010
L2009, Ch. 172		18,000,000 - 2011
2009	Federal	3,500,000
L2008, Ch. 179	Bond	3,000,000
L2008, Ch. 367	Environmental Trust	500,000
2008	Federal	3,456,000
L2007, Ch. 30	Environmental Trust	2,000,000
2007	Federal	750,000
L2006, Ch. 258	Bond	7,000,000
L2006, Ch. 243	Environmental Trust	500,000
2006	Federal	788,000
L2005, Ch. 20	Bond	1,500,000
2005	Federal	2,000,000
2004	Federal	500,000
L2003, Ch. 128	Environmental Trust	145,000
2003	Federal	407,000
2002	Federal	1,000,000
L2001, 1SS, Ch.2	Environmental Trust	500,000
L2001	Federal	906,000
2000	Federal	678,000

Minnesota Forests for the Future**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.

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Governor's Recommendations

The Governor does not recommend capital funding for this request.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	77,924	1,425	2,850	2,850	85,049
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	130	75	150	150	505
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	78,054	1,500	3,000	3,000	85,554

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
G.O Bonds/State Bldgs	12,000	1,500	3,000	3,000	19,500
Env & Natural Resoures	3,645	0	0	0	3,645
Federal	10,985	0	0	0	10,985
Gift	15,424	0	0	0	15,424
Infrastructure Dev	36,000	0	0	0	36,000
State Funds Subtotal	78,054	1,500	3,000	3,000	85,554
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	78,054	1,500	3,000	3,000	85,554

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,500	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017

Parks and Trails Local and Regional Grant Program

2012 STATE APPROPRIATION REQUEST: \$3,000,000

AGENCY PROJECT PRIORITY: 21 of 22

PROJECT LOCATION:

Project At A Glance

- \$3 million in grants to regional and local park and trail authorities to support a high-quality, diverse outdoor recreation system throughout the state.

Project Description

This request for \$3 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, and will provide funding for park grants to local communities to acquire approximately 70 acres and develop or redevelop three to seven local and/or regional parks and also provide funding for ten to 15 local and regional trail projects.

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. The goal of increasing outdoor recreation participation and connecting people to the outdoors is reinforced in the Parks and Trails Legacy Plan by creating a system of parks and trails that physically connects communities. 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.

M.S. 85.019 establishes four matching grant programs described as follows:

The Outdoor Recreation Grant Program helps 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 trails outside of the metropolitan area.

Impact on Agency Operating Budgets (Facilities Notes)

There will be minimal impact on the operating budget.

Previous Appropriations for this Project

Regional Parks and Trail Grants:
 L2011, 1SS, Ch. 6 Legacy/P&T Fund \$15,192,000

Parks and Trails Local and Regional Grant Program

Park Grants:

L2011, 1SS, Ch. 12 Bond		\$1,250,000
L2009, Ch. 143	Environmental Trust	1,000,000
L2009, Ch. 143	Env. Trust/LAWCON	400,000
L2008, Ch. 367	Environmental Trust	1,000,000
L2007, Ch. 30	Env. Trust/LAWCON	500,000
L2006, Ch. 258	Bond	2,000,000
L2006, Ch. 243	Environmental Trust	1,000,000
L2005, 1SS, Ch. 1	Env. Trust/LAWCON	1,600,000
L2003, Ch. 128	Env. Trust/LAWCON	2,000,000
L2001, 1SS, Ch. 2	Env. Trust/LAWCON	1,060,000

Local Trail Connection Grants:

L2010	Lottery In Lieu	\$655,000
L2009	Lottery In Lieu	397,500
L2008	Lottery In Lieu	385,000
L2008, Ch. 179	Bond	697,000
L2007	Lottery In Lieu	425,000
L2006, Ch. 258	Bond	2,010,000
L2006	Lottery In Lieu	400,000
L2005, Ch. 20	Bond	885,000

Regional Trail Grants:

L2011, 1SS, Ch. 2	Trust Fund	\$2,000,000
L2009	Lottery In Lieu	257,000
L2008	Lottery In Lieu	270,000
L2008, Ch. 179	Bond	156,000
L2007	Lottery In Lieu	230,000
L2006, Ch. 258	Bond	1,133,000
L2006	Lottery In Lieu	255,000

Also: Federal trail recreation program and LAWCON appropriations.

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.

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Governor's Recommendations

The Governor does not recommend capital funding for this request.

Natural Resources, Department of

Project Detail

Parks and Trails Local and Regional Grant Program

(\$ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	4,874	700	700	700	6,974
2. Predesign Fees	0	0	0	0	0
3. Design Fees	1,855	340	340	340	2,875
4. Project Management	1,911	100	100	100	2,211
5. Construction Costs	11,474	1,860	1,860	1,860	17,054
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	20,114	3,000	3,000	3,000	29,114

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
G.O Bonds/State Bldgs	6,881	3,000	3,000	3,000	15,881
Env & Natural Resoures	3,000	0	0	0	3,000
Local Trls Granst Lott in Lieu	4,669	0	0	0	4,669
Land and Water Conservation	5,564	0	0	0	5,564
State Funds Subtotal	20,114	3,000	3,000	3,000	29,114
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	20,114	3,000	3,000	3,000	29,114

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	3,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017

2012 STATE APPROPRIATION REQUEST: \$1,000,000

AGENCY PROJECT PRIORITY: 22 of 22

PROJECT LOCATION:

Project At A Glance

- Facility housing DNR, PCA, BWSR and DOLI
- Providing strategic environmental leadership in holistic manner
- Showcasing urban sustainable strategies

Project Description

This request for \$1 million in state bond funds is for a Predesign for an environmental campus for the Department of Natural Resources (DNR), the Pollution Control Agency (PCA), Labor and Industry (DOLI), and the Board of Water and Soil Resources (BWSR). All of the agencies are currently located in leased space. The pre-design will define next steps, including site section criteria, project scope, cost and schedule.

The four agencies also have common customers, such as local governmental units, private landowners, industry, and various environmental groups. Co-location will facilitate the ability to further integrate and consolidate permitting and financial assistance application processes, thereby reducing the burden on customers with needs touching several of the agencies.

Impact on Agency Operating Budgets (Facilities Notes)

Predesign will not impact the agencies' operating budgets.

Previous Appropriations for this Project

There have been no previous appropriations for this project

Other Considerations

The agencies expect to increase their effectiveness in service delivery in the new facility. The agencies share responsibilities for preserving the state's natural lands, air and waters; strategic location of staff within shared space will greatly increase the opportunities for shared resources.

DNR has the support of the Department of Administration for this request.

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Governor's Recommendations

The Governor does not recommend capital funding for this request.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	925	0	0	925
3. Design Fees	0	0	0	0	0
4. Project Management	0	75	0	0	75
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	1,000	0	0	1,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,000	0	0	1,000
State Funds Subtotal	0	1,000	0	0	1,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	1,000	0	0	1,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017