

Natural Resources

Projects Summary

(\$ in thousands)

Project Title	Priority Ranking	Funding Source	Project Requests for State Funds		
			2018	2020	2022
Natural Resources Asset Preservation	1	GO	\$ 130,000	\$ 130,000	\$ 130,000
Natural Resources Acquisition and Betterment of Buildings	2	GO	\$ 20,000	\$ 20,000	\$ 20,000
Natural Resources Acquisition and Betterment of Public Lands	3	GO	\$ 145,000	\$ 65,000	\$ 65,000
Improving Accessibility to State Parks and Recreation Areas	4	GO	\$ 20,000	\$ 20,000	\$ 20,000
Lake Vermilion Soudan Underground Mine State Park	5	GO	\$ 13,000	\$ 15,000	\$ 0
Flood Hazard Mitigation Grant Assistance Program	6	GO	\$ 20,000	\$ 20,000	\$ 20,000
Dam Safety Repair, Reconstruction or Removal	7	GO	\$ 2,000	\$ 5,000	\$ 5,000
Parks and Trails Local and Regional Grant Program	8	GO	\$ 2,000	\$ 2,000	\$ 2,000
Total Project Requests			\$ 352,000	\$ 277,000	\$ 262,000
General Obligation Bonds (GO) Total			\$ 352,000	\$ 277,000	\$ 262,000

Natural Resources Asset Preservation

AT A GLANCE**2018 Request Amount:** \$130,000**Priority Ranking:** 1

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

Project Description

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

- **Buildings**: \$60M for renewal of existing buildings, particularly providing much needed funding to bring building components identified by the FY15 Facility Condition Assessment as being in crisis or poor condition up to acceptable condition. Special focus will be paid to safety, accessibility, code compliance work, roof replacements, replacement of antiquated, inefficient mechanical systems, and providing safe work environments. Potential projects include Rice Lake, Hutchinson, Windom, Talcot WMA, Lanesboro Hatchery, shop and residence, and the Soudan hoist.
- **Water and Wastewater systems**: \$30M for statewide septic and water systems including Itasca State Park, Whitewater State Park, and McCarthy Beach State Park. Many sanitation buildings at state parks are grossly inadequate. Potable water supplies and wastewater systems need to be brought into compliance with Department of Health and PCA standards.
- **Energy**: \$6M for installation of renewable energy systems, lighting retrofits, and HVAC energy efficiency upgrades in Grand Rapids, Hibbing, Brainerd and Detroit Lakes.
- **Roads and Bridges**: \$14M to provide critical maintenance and rehabilitation of roads in state forests (MS 89.002, Subd. 3), state parks, and wildlife management areas. DNR has over 3,000 miles of roads that provide access to over 5 million acres of state forest lands, state parks and recreation areas, wildlife management areas, and hatcheries.
- **Trails and Trail Bridges**: \$12M to provide renewal and replacement, paving and aggregate trail resurfacing, culvert and bridge replacements, erosion control, and accessibility improvements for priority projects at Root River, Gateway, Willard Munger, and Blufflands State Trails. DNR has over 600 miles of paved trails; thousands of miles of natural surface trails and these systems have over 650 bridges with more than 100 bridges being over 100 years old.
- **Water Access Sites**: \$5M to develop and improve the design of existing public water access sites to implement best management practices (BMPs) for shoreland management, aquatic invasive species (AIS) management, and universal design (ADA) components. Priorities include projects at Mille Lacs, Vermilion, Detroit Lake and fishing piers statewide.
- **Water Control Structures**: \$3M for water control structures that provide core waterfowl habitat on

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

Minnesota's Department of Natural Resources (DNR) manages a broad range of building and recreational facilities located in all 87 Minnesota Counties. Specifically, DNR has 2,735 buildings in over 225 locations around the state, 73 state parks and recreation areas, 8 waysides, 54 forest campground and day use areas, 3,000 miles of roads, 620 miles of surfaced state trail, over 1,000 bridges and culverts, 1,590 water access sites, 600 water control structures, 19 hatcheries, and over 200 fishing piers, and miles of hiking trails, all of which also require periodic renewal.

Project Rationale

DNR's assets have been neglected because of insufficient funding and the deferred maintenance is significant and costly. Over the next 10 years, more than \$40 million a year is needed to bring the facilities to average condition or better. The facility condition assessment shows that of about 2,700 buildings, 215 buildings are in crisis condition and 540 are in poor condition. Some bridges are weight restricted, trails are in very poor condition, and resources are under-utilized because of inadequate accesses or water control structures. Some water and wastewater systems don't meet health and safety standards and must be brought into compliance.

Project Timeline

Other Considerations

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

Impact on Agency Operating Budgets

This will have a minimal impact on operating budgets.

Description of Previous Appropriations

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

L2015 Ch. 5 Disaster - Bond, \$2,140,000

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

Project Contact Person

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

Natural Resources Acquisition and Betterment of Buildings

AT A GLANCE

2018 Request Amount: \$20,000

Priority Ranking: 2

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

Project Description

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

- Support predesigns for future capital budget requests. Specific projects in need of a predesign are DNR Headquarters in Bemidji (where DNR staff are scattered in 3 DNR-owned sites and 2 leased sites), the Spicer/New London area (where DNR offices are also in 3 locations), and for the necessary expansion of the Drill Core Library in Hibbing.
- Make significant improvements or replace buildings that are deficient, not ADA accessible, unsafe, no longer serve their intended purpose, or have reached the end of their useful life, particularly buildings at International Falls, Talcot WMA, Rice Lake State Park, Badoura Nursery, parks sanitation buildings, and the hatchery, residence, and shop at Lanesboro.
- Construct additional storage buildings in areas around the state. The equipment used by DNR, such as boats and fire trucks, which provide safety services to the public as well as protection of our natural resources, is becoming larger, and contains highly sophisticated electronic operating systems. This equipment no longer fits in many of our existing boat houses or storage buildings and is forced to be stored outside on a regular basis. The cost of constructing storage buildings is offset long-term by the increased life-cycle of properly storing the equipment.

Project Rationale

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

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

Project Timeline

Other Considerations

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

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

Impact on Agency Operating Budgets

This will have a minimal impact on operating budgets.

Description of Previous Appropriations

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

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

Project Contact Person

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

Natural Resources Acquisition and Betterment of Public Lands

AT A GLANCE

2018 Request Amount: \$145,000

Priority Ranking: 3

Project Summary: \$145M in state funds is requested to acquire and better state lands in order to improve and conserve Minnesota's natural heritage, enrich public outdoor recreational opportunities, and provide for the commercial uses of natural resources. .

Project Description

The project has several facets:

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

Project Rationale

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

Project Timeline

Other Considerations

Impact on Agency Operating Budgets

This will have a minimal impact on operating budgets.

Description of Previous Appropriations

L2017 (1st SS), Ch. 8 - Bond, Reforestation, \$1,000,000
L2017 (1st SS), Ch. 8 - Bond, Parks and Trails, \$18,048,000
L2017 (1st SS), Ch. 8 - Bond, St. Paul Invasive Tree Pests, \$1,500,000
L2017 (1st SS), Ch. 8 - Bond, Local Trail Grants, \$1,400,000
L2014, Ch. 294 - Bond, Reforestation, \$2,963,000
L2014, Ch. 294 - Bond, Parks and Trails, \$18,917,000

Project Contact Person

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

Improving Accessibility to State Parks and Recreation Areas

AT A GLANCE**2018 Request Amount:** \$20,000**Priority Ranking:** 4**Project Summary:** \$20 million is requested in bonding to improve accessibility in state parks and recreation areas. This will include renovation of visitor centers, day use facilities, shower buildings, vault toilets, sidewalks, parking areas and selected trails. The project will focus on 4-5 state parks and recreation areas.**Project Description**

This project will utilize the Americans with Disabilities Act (ADA) standards to improve accessibility at strategic facilities and amenities through a makeover in 4-5 of Minnesota's state parks and recreation areas. This will include renovations of bathrooms, showers, campsites, trails and day use facilities to accommodate all users. It will also include development of new accessible amenities (e.g., yurts, wall tents) to meet the growing demand of a diverse user base and people of all abilities.

For example, at Nerstrand Big Woods State Park, utilizing the standards from the ADA, DNR would renovate or construct the following:

- Upgrade Hidden Falls Trail to assure access to the iconic hidden falls and boardwalk through Dwarf Trout Lily habitat
- Picnic Shelter and bathroom
- Nature play and amphitheater area
- Campground shower building to include family assist toilets and showers
- One ADA accessible group camp
- 5 ADA campsite upgrades with platforms for tents (10% total campground capacity)
- 2-4 Vault toilets
- Wayfinding and signage

Project Rationale

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

Project Timeline**Other Considerations**

Many DNR buildings are over 50 years old and do not meet ADA standards. Recent renovation and construction meets ADA standards, but this is on building by building basis. This proposal would allow for all facilities at a park to be fully accessible.

Impact on Agency Operating Budgets

This will have a minimal impact on operating budgets.

Description of Previous Appropriations

Project Contact Person

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

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

Continue development of recreational opportunities including: Lodge Visitor Center (design funding provided in 2017); design and construct Murray Campground (includes campsites with electric hook-ups, gathering space, toilet/shower facilities); a solar plant to provide renewable energy for the park, a trailhead for a hiking trail to Jasper Peak, the highest point in the park, and associated roads, parking and amenities. Design Mattson Bay Camp and southern campground spurs.

Project Rationale

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

Project Timeline**Other Considerations****Impact on Agency Operating Budgets**

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

Description of Previous Appropriations

L2017, Ch. 8 - Bond, \$3,000,000

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

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

Project Contact Person

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

Flood Hazard Mitigation Grant Assistance Program

AT A GLANCE

2018 Request Amount: \$20,000

Priority Ranking: 6

Project Summary: \$20 million in state funds is requested for grants to cities, counties, and watershed districts for flood risk reduction. Projects include pumping stations, levees, acquisition and removal of at-risk structures, flood impoundments, and lake outlets.

Project Description

\$20 million would provide funding for flood risk reduction projects in Afton, Austin, Delano, Golden Valley, Halstad, Hendrum, Montevideo, Moorhead, Owatonna, Perley, Rushford, Red Lake Watershed, Rosseau River Watershed, and Bois de Sioux Watershed. Types of projects include the purchase and removal of damaged and at-risk residential structures from the floodplain and construction of levees, pumping stations, multi-purpose flood impoundments, and lake outlets.

Project Rationale

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

Project Timeline

Other Considerations

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

Impact on Agency Operating Budgets

This will have a minimal impact on operating budgets.

Description of Previous Appropriations

L2017, SS1, Ch. 8 - Bond, \$11,555,000

L2015, SS1, Ch. 5 - Bond, \$23,549,000

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

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

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

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

Project Contact Person

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

Dam Safety Repair, Reconstruction or Removal

AT A GLANCE

2018 Request Amount: \$2,000

Priority Ranking: 7

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

Project Description

Minnesota’s public dam infrastructure includes 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, prevent public safety hazards, and to maintain water levels on recreational lakes. Emergency repairs must be made when an imminent dam failure threatens public safety or an actual dam failure damages property.

This program also includes the removal or modification of hazardous or obsolete dams that no longer provide significant public benefits and whose rehabilitation would not be cost effective or good for the environment. These projects may also provide natural resource benefits by maximizing the conservation potential and biological diversity of river systems, through restoring and reconnecting upstream and downstream habitats. Low-head river dams need to be modified to eliminate their dangerous “drowning machine” currents.

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

About 5 percent of Dam Safety Program capital budget appropriations are reserved for emergencies. Any emergency funds remaining are used on high priority projects.

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

Project Rationale

This request is part of an ongoing Dam Safety Program (MS 103G.511) to manage Minnesota’s public dam infrastructure. Dams maintain water levels on many of our recreational lakes, providing significant recreation, tourism, and economic benefits. For example: Mille Lacs, Minnetonka, and Ottertail Lakes all depend on dams to maintain water levels and surrounding property values. Making needed repairs limits the potential liability of the DNR and local government units that own dams; protects the public safety; and saves money by maintaining existing infrastructure assets.

Project Timeline

Other Considerations

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

We estimate that over \$100 million will be needed over the next several decades to repair, reconstruct, or remove publicly-owned dams. The requested funds would provide \$1.8 million for priority projects and \$200,000 for emergencies. This request is smaller than normal because \$5.4 million was appropriated for dam renovation, repair, and removal in 2017.

Impact on Agency Operating Budgets

There will be minimal impact on operating budgets.

Description of Previous Appropriations

L2017 (1st SS), Ch. 8 - Bond, \$15,400,000

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

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

Project Contact Person

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

Parks and Trails Local and Regional Grant Program

AT A GLANCE

2018 Request Amount: \$2,000

Priority Ranking: 8

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

Project Description

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

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

The grant programs allow the DNR to partner with local communities to acquire land and develop parks and trails that help create a network of close-to-home recreation facilities. The requested funding will provide funding for park grants to local communities to acquire approximately 70 acres, develop or redevelop 3 to 7 local and/or regional parks, and also provide funding for 10 to 15 local and regional trail projects.

Project Rationale

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

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

Project Timeline

Other Considerations

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

Impact on Agency Operating Budgets

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

Description of Previous Appropriations

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

Project Contact Person

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