Natural Resources, Department of

Projects Summary

($ in Thousands)

Project Title	2010 Agency Priority Ranking	Agency Project Request for State Funds ($ by Session)				Governor's Recommendations	Governor's Planning Estimate	
		2010	2012	2014	Total	2010	2012	2014
Dam Repair/Reconstruction/Removal	1	$4,000	$4,000	$4,000	$12,000	$4,000	$4,000	$4,000
Flood Hazard Mitigation	1	20,000	20,000	20,000	60,000	50,000	20,000	20,000
Ground Water Monitoring	1	2,000	2,000	2,000	6,000	1,000	1,000	1,000
Community Conservation Assistance	2	5,000	5,000	5,000	15,000	500	500	500
Diseased Shade Tree Removal and Replacement	2	2,000	2,000	2,000	6,000	2,000	2,000	2,000
Fish Hatchery Improvements	2	3,000	3,000	3,000	9,000	0	0	0
Forest Stand Improvement	2	2,000	2,000	2,000	6,000	2,000	2,000	2,000
MN Forest for the Future	2	8,000	8,000	8,000	24,000	500	500	500
Native Prairie Acquisition and Development	2	5,500	5,500	5,500	16,500	500	500	500
Native Seed Production Facility	2	5,000	0	0	5,000	0	0	0
RIM Critical Habitat Match	2	3,000	3,000	3,000	9,000	2,000	2,000	2,000
SNA Acquisition and Development	2	8,000	8,000	8,000	24,000	500	500	500
State Land Reforestation	2	7,000	7,000	7,500	21,500	3,500	3,500	3,500
Stream Protection and Restoration	2	3,000	3,940	3,940	10,880	0	0	0
WMA/AMA Acquisition and Development	2	24,500	24,500	24,500	73,500	4,000	4,000	4,000
Water Control Structures	2	2,000	2,000	2,000	6,000	0	0	0
Gateway to the Outdoors - Recreation	3	17,000	17,000	17,000	51,000	0	0	0
Local Recreation Grants	3	5,000	5,000	5,000	15,000	0	0	0
Outdoor Recreation Facilities Rehab. and Renewal	3	40,000	40,000	40,000	120,000	0	0	0
State Park, State Recreation Area, Water Recreation and State Trail Acquisition	3	10,000	10,000	10,000	30,000	6,000	6,000	6,000
State Park, State Recreation Area, and State Trail Natural Area Improvements	3	3,000	5,120	5,120	13,240	0	0	0
Energy Efficiencies and Renewal	4	20,000	20,000	20,000	60,000	0	0	0
Environmental Campus Pre-design	4	5,500	150,560	0	156,060	0	0	0
Facility Consolidation	4	20,000	20,000	20,000	60,000	2,500	2,500	2,500
Natural Resources Asset Preservation	4	23,000	23,000	12,000	58,000	7,500	7,500	7,500
Roads & Bridges	4	2,000	2,000	2,000	6,000	2,000	2,000	2,000
Total Project Requests		$249,500	$392,620	$231,560	$873,680	$88,500	$58,500	$58,500

Agency Profile At A Glance

Minnesota has approximately 51 million total land acres.

Public Lands and Waters Administered by DNR

- 5.5 million acres of land owned by the state of Minnesota, including 4.8 million acres predominantly in forest management
- 12 million acres of land managed for mineral rights
- 8 million acres of surface rights and mineral rights managed for horticultural peat, industrial minerals, and construction materials
- 58 state forests
- 11,842 lakes
- 69,000 miles of rivers and streams

Facilities Administered by DNR

- 67 state parks, 7 state recreation areas, and 8 state waysides totaling nearly 227,000 acres
- 54 state forest campgrounds and day use areas
- 1,433 wildlife management areas, totaling more than 1.3 million acres
- More than 42,000 acres of aquatic management areas, including 838 shoreland miles
- 148 scientific and natural areas, totaling approximately 183,300 acres
- 1,595 state water accesses
- 340 fishing piers and shore fishing sites
- 4,350 miles of water trails, managed for canoeing, kayaking and camping on Lake Superior and on 30 rivers statewide
- 21 developed state trails encompassing 1,266 miles of multi-use state trails, including 591 miles of paved bicycle trails
- 1,556 miles of cross country ski trails (DNR and Grant-in-Aid)
- 1,995 miles of off-highway vehicle trails (DNR and Grant-in-Aid)
- 23,449 miles of snowmobile trails (DNR and Grant-in-Aid)

Agency Purpose

The mission of the Minnesota 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's three-part mission, based on the interrelated values of economic development, recreational use, and natural resource protection, requires a fully integrated approach to conservation.

Core Functions

DNR works to integrate and sustain the interdependent values of a healthy environment, a sustainable economy, and livable communities. DNR's integrated resource management strategy shares stewardship responsibility with citizens and partners to manage for multiple interests. DNR protects the state's natural heritage by conserving the diversity of natural lands, waters, and fish and wildlife that provide the foundation for Minnesota's recreational and natural resource-based economy (M.S. 84, M.S. 97A). DNR manages natural lands such as forests, wetlands, and native prairies; maintains healthy populations of fish and wildlife; and protects rare plant and animal communities throughout the state. DNR manages the state's water resources, sustaining healthy waterways and ground water resources. DNR provides access to enrich public outdoor recreational opportunities, such as 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 providing other economic opportunities in a manner consistent with sound natural resource conservation and management principles.

Key principles that guide DNR's work:

- Conserve and manage the state's natural resources and protect the long-term health of these resources;
- Provide for sustainable economic use of our natural resources and enhance the state's natural resource-based economies;

- Promote increased participation in outdoor recreation by providing greater access to and diversity of outdoor recreation opportunities for Minnesota's citizens;
- Enhance communication and working relationships with other agencies, local units of government, citizens, and stakeholders to manage and sustain natural resources effectively and encourage local resource and land use decision-making;
- Model the sustainable use of natural resources and energy efficiency in our work;
- Guard the integrity of dedicated funds and ensure financial accountability; and
- Communicate our work in terms of measurable outcomes.

Operations

DNR works directly with citizens, stakeholder groups, and all levels of government in setting priorities, managing diverse natural resources, and providing scientific and technical expertise. DNR administers 12 million acres of mineral rights and 5.5 million acres of land for state forests, wildlife management areas, parks, trails, recreation areas, scientific and natural areas, and public water access sites. The agency is organized into four geographic regions, six operating divisions, and four support bureaus. DNR staff work out of 182 field offices located statewide.

- Lands and Minerals Division manages agency real estate transactions and promotes, regulates, and provides expertise on mineral exploration, mining, and mine land reclamation.
- Forestry Division 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.
- Parks and Trails Division operates a system of state park and state forest campgrounds that conserves and manages natural, scenic, and cultural resources; maintains a statewide network of recreational trails; provides public access to lakes, rivers and streams, designates boating routes; and offers education opportunities.
- Fish and Wildlife Division conserves and enhances the state's fish and wildlife populations and their supporting habitats through regulation, restoration, research, monitoring, and education.
- A new division is being formed through the integration of the Ecological Resources Division and the Waters Division. The new division will work to ensure the long-term ecological health of watersheds across the state that support water quality and maintain water quantity, biodiversity, and vital ecosystem services.
- Enforcement Division enforces laws related to game and fish, wetlands, aquatic plants, and the operation of watercraft, snowmobiles, all-terrain vehicles (ATVs), and other recreational vehicles, and provides conservation and safety education programs.
- Operations Support includes the commissioner's office, regional operations and recreation and local grants management, providing leadership and coordination, services to the public, and assistance to the department, local governments, and private organizations.

Budget

Direct, open, and statutory appropriations total $826 million for the FY 2010-11 biennium: 27% from the General Fund, 24% from the Game and Fish Fund, 19% from the Natural Resources Fund, 6% from federal funds, 9% from the Outdoor Heritage Fund, 2% from the Clean Water Fund, 4.5% from the Parks and Trails Fund, and the remaining 8.5% from other funding sources.

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At A Glance: Agency Mission and Goals

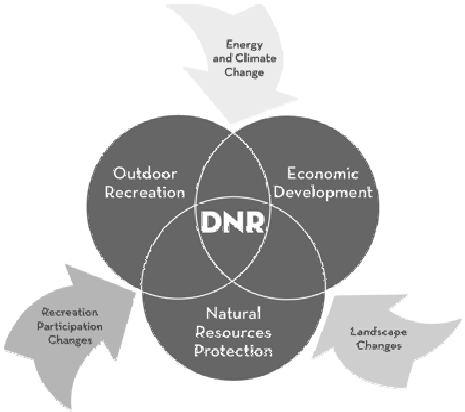
The mission of the Minnesota Department of Natural Resources (DNR) is to "work with citizens to conserve and manage the state's natural resources, to provide outdoor recreation opportunities, and to provide for commercial uses of natural resources in a way that creates a sustainable quality of life."

DNR seeks to achieve the following six goals:

- Minnesota's natural lands and habitats will be conserved and enhanced
- Minnesota's water resources and watersheds will be conserved and enhanced
- Minnesota's fish and wildlife populations will be healthy and provide great recreation opportunities
- Minnesota will have a diverse, high-quality outdoor recreation system
- Minnesota will provide for sustainable economic use of its abundant natural resources
- DNR will effectively and efficiently deliver services to meet our mission

Trends and Strategic Directions that Influence DNR's Ability to Achieve Its Mission and Goals

Three key trends shape DNR's ability to achieve its long-standing, three-part mission to provide exceptional recreational opportunities, conserve and manage natural resources, and support sustainable economic development. Minnesota's lands and waters are undergoing rapid changes related to population growth, development, climate change, and shifts in outdoor recreation patterns. DNR has set a strategic direction focused on adapting to these cross-cutting trends and to shifts in sources of conservation funding as a means to achieve its mission. Working with citizens and partners will be critical to achieving these goals and sustaining a broad-based commitment to the environment.



Identifying trends, charting strategic direction, measuring performance, and adapting departmental work are essential to effectively managing the state's resources and improving conservation results. Through *A Strategic Conservation Agenda 2009-2013*, DNR identifies three trends that directly affect Minnesota's natural resources and influence agency services and capital needs, and establishes strategic directions that will help guide future investments in the department's core programs and priority work.

Trend: Changes in outdoor recreation participation

Outdoor recreation participation is declining on a per capita basis in Minnesota and the nation. The primary driving factor behind these declines is that young adults and their children are not participating at the same levels as they have in the past. In addition, as our population becomes older, more urban, and more diverse, demands for recreational opportunities will continue to change.

Strategic Direction: DNR seeks to increase the connections Minnesotans have with the outdoors by increasing outdoor recreation opportunities, building greater awareness of these opportunities, evaluating the effectiveness of agency efforts, and maintaining Minnesota's outdoor recreation foundation.

2010 Capital Budget Requests Addressing Outdoor Recreation Participation: These requests focus on connecting people to Minnesota's great outdoors by developing new facilities such as camper cabins and archery ranges to expand outdoor recreation opportunities available to families, young adults, children, and nontraditional groups; by providing grants to local communities to develop and maintain a system of local parks and trails for close-to-home recreation; and by enhancing user accessibility and increasing the energy efficiency of existing park, trail, and recreation areas and facilities.

Trend: Changes related to energy and climate
Concerns about energy issues and climate change have led to new national and state standards for energy efficiency and conservation-based alternatives to fossil fuels.

Strategic Direction: DNR seeks comprehensive approaches to energy and climate change by:

- advancing the development of conservation-based energy sources that conserve natural lands; and
- increasing the energy efficiency and sustainability of DNR operations.

2010 Capital Budget Requests Addressing Energy and Climate: These requests focus on increasing the sustainability of DNR operations by reducing DNR energy use through installation of renewable energy systems such as solar electrical, solar thermal, and wind generation and by utilizing the woody biomass byproducts of forest stand improvement projects to serve as a new conservation-based energy source.

Trend: Landscape changes from growth and development
Minnesota is projected to grow by more than one million people in the next 20 years. The resulting landscape changes will challenge department efforts to restore and maintain fish and wildlife and provide clean water, quality outdoor recreation opportunities, and sustainable economic uses of natural resources.

Strategic Direction: DNR seeks coordinated approaches to conserve natural resources at local, landscape, and watershed scales by:

- accelerating efforts to help private landowners by providing technical and financial assistance, assessing natural resources, delivering information, and developing management plans;
- working in partnership to provide conservation assistance to local units of government and other partners;
- promoting integrated management through comprehensive land asset plan development, acquisition, and partnerships; and
- monitoring ground and surface waters, refining regulations, and developing innovative approaches to improving the quality and maintaining the quantity of the state's water resources.

2010 Capital Budget Requests Addressing Landscape Changes:
These requests target conservation investments and allow DNR to more strategically protect habitat by creating a network of critical natural lands, waters, and resources that support healthy populations of fish and wildlife and high-quality recreation opportunities. DNR prioritizes its work to conserve the best, remaining natural lands, rarest plant and animal communities, and high priority waterways. For example, DNR acquires Scientific and Natural Resource Areas to protect endangered native plant communities and rare species; DNR utilizes conservation easements to protect working forests; DNR improves the state's water resources by protecting and restoring natural stream channels; and DNR works with private landowners and community partners to leverage resources to protect and restore key natural habitats.

Self-Assessment of Department Facilities or Capital Programs
DNR is responsible for administering 94 percent of all state-owned land in Minnesota. This includes ownership of 12 million acres in mineral rights and 5.5 million acres of land 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 acquisition of private lands that lie within state park statutory boundaries from willing sellers, to reforestation for asset improvement, to signing and facility development for improved public access and education. As Minnesota's population changes and grows, so too must DNR adapt its work and adjust its program requests to meet the changing needs and demands of Minnesotans. For instance, DNR has used recent bonding appropriations to maintain and improve its core services to the public, such as investing in new state park camper cabins to meet growing public demand for alternative lodging in state parks or increasing conservation of native prairies to protect an important native community in the state.

DNR also owns and actively maintains approximately 2,700 buildings encompassing 2.9 million square feet of floor space at over 200 locations statewide, with a replacement value of approximately $365 million. In addition to office, workspace, and storage facilities, DNR provides a variety of buildings for public use, such as cabins, fish cleaning houses, picnic shelters, 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. DNR's Facilities Master Plan is a strategic management plan for the department's facilities, which will serve as a road map for the department to better guide facility use and investments over the coming years. The plan identifies key sites for facility consolidation, which is one of DNR's strategies to achieve a ten percent savings in annual operating costs for its facilities. 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.

Department Process for Capital Budget Requests

The strategic framework for the 2010 Capital Budget request was built from DNR's *A Strategic Conservation Agenda* and was developed using an agency-wide interdisciplinary approach that focused on the department's strategic directions and work 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 made final decisions on the preliminary capital budget request.

Summary of 2010 Capital Budget Requests

DNR's 2010 Capital Budget request focuses on four major themes that, through strategic capital investments, contribute to achieving DNR's goals.

1) **Health and Safety:** ***Protecting the health and safety of Minnesotans***
   These requests utilize partnerships with federal, state, and local units of government to leverage investments as part of a cost-effective strategy that reduces the long-term costs of protecting public health and safety associated with natural disasters such as floods.
   - Flood Hazard Mitigation
   - Dam Repair/Reconstruction/Removal
   - Ground Water Monitoring

2) **Conservation:** ***Conserving and enhancing Minnesota's natural lands, waters, and fish and wildlife populations***
   These requests conserve Minnesota's natural resources through conservation partnerships, conservation infrastructure development, and acquisition and development.
   - Native Prairie Acquisition and Development
   - Scientific and Natural Area Acquisition and Development
   - Minnesota Forests for the Future
   - Wildlife Management Area/Aquatic Management Area Acquisition and Development
   - RIM Critical Habitat Match
   - Stream Protection and Restoration
   - Native Seed Production Facility
   - Diseased Shade Tree Removal and Replacement
   - State Land Reforestation
   - Forest Stand Improvement
   - Water Control Structures
   - Fish Hatchery Improvements
   - Community Conservation Assistance

3) **Outdoor Recreation:** ***Promoting new recreation opportunities and providing a high-quality and diverse outdoor recreation system***
   These requests provide greater access to outdoor recreation opportunities and respond to changing needs of the state's population by investing in new development and renewing and improving the state's existing outdoor recreation infrastructure.
   - Gateway to the Outdoors – Recreation
   - Outdoor Recreation Facilities Rehabilitation and Renewal
   - State Park, State Recreation Area, and State Trail Acquisition
   - Improvement of State Park, State Recreation Area, and State Trail Natural Areas
   - Local Recreation Grants

4) **Assets and Energy Efficiencies:** ***Targeting investments to reduce operating costs, increase efficiencies, and improve the environmental performance of DNR operations***
   These requests preserve, repair, and improve capital assets to reduce costs and increase the efficiency of DNR operations through facility

consolidation, increased energy efficiency of existing facilities, and statewide asset preservation that results in lower future obligations for more costly repairs and replacement.

- Roads and Bridges
- Statewide Asset Preservation
- Energy Efficiencies and Renewal
- Facility Consolidation
- Environmental Campus Pre-design

2008 Capital Projects Authorized

- Flood Hazard Mitigation
- Dam Renovation and Removal
- Ground Water Monitoring, Observation Wells
- Native Prairie Conservation and Protection
- Stream Protection and Restoration
- Scientific and Natural Areas Acquisition and Development
- RIM-Wildlife Management Area Acquisition and Improvement
- RIM Critical Habitat Match
- Water Control Structures
- Shoreline and Critical Habitat Acquisition
- Fish Hatchery Improvements
- State Forest Land Reforestation
- Forest Land and Forest Legacy Conservation Easements
- Mississippi River Aquatic Invasive Species Barrier
- Diseased Shade Tree Removal and Replacement
- Lake Zumbro Restoration
- Regional and Local Parks Grants
- State Park and Recreation Area Acquisition, Rehabilitation, and Development
- Big Bog State Recreation Area
- Fort Snelling Upper Bluff Emergency Building Stabilization
- State Park Prairie Reconstruction and Forest Restoration Projects
- Water Access Acquisition, Development, and Fishing Piers
- State Trail Acquisition, Rehabilitation and Repair
- Trail Connections
- Regional Trails
- Vermilion State Park Acquisition
- Forest Roads and Bridges
- Statewide Asset Preservation
- Drill Core Library and Field Office Renovation
- Red River Digital Elevation Model
- Bell Museum Landscaping
- Wildlife Rehabilitation Center

2010 STATE APPROPRIATION REQUEST: $4,000,000

AGENCY PROJECT PRIORITY: 1 of 26

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

Project Description

This request for $4 million in state bond funds would provide for the engineering and construction to repair, reconstruct, or remove dams and respond to dam safety emergencies. Approximately the top ten projects on the statewide dam safety projects priority list ready for design and construction will be funded with these dollars. These projects protect the life and safety of Minnesotans and limit the potential liability of unsafe or deteriorating dams, such as by modifying low-head river dams to eliminate dangerous currents. This program also addresses the Department of Natural Resources' (DNR) conservation mission of protecting natural resources, providing outdoor recreation opportunities to the public, and supporting the economic vitality of Minnesota's communities by maintaining water levels on recreational lakes, which provide significant recreation, tourism, and economic benefits. Removal and modification of river dams is also a goal in DNR's "*A Strategic Conservation Agenda 2003-2007*."

This request is part of an ongoing Dam Safety Program to manage Minnesota's existing public dam infrastructure. Minnesota's public dams infrastructure includes nearly 800 dams owned by the state, counties, cities, and watershed districts. The state of Minnesota owns over 500 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 ten percent of Dam Safety Program capital budget appropriations are generally reserved for emergencies. Any emergency funds remaining at the end of the two-year bonding cycle are used on high priority projects.

M.S. 103G.511 provides for matching grants to local governments for dam repair or reconstruction, and M.S. 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. 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.

This request is higher than in previous years because dam reconstruction costs have been rising, as evidenced by the recent engineer's estimate to reconstruct the New London Dam. The New London Dam is a state owned, high-hazard potential dam that is in need of reconstruction. The 2006 dam safety bonding appropriation of $3 million was designated entirely toward the project; however, recent estimates indicate that an additional $1 million is needed to complete the reconstruction. We propose to use funding budgeted for two projects listed in the 2008 dam safety bonding appropriation to cover the costs of the New London Project. The New London Dam project will be ready to be bid out in 2009. This request is higher than in previous years so that we can fund those three high priority projects whose funding will be diverted to the New London Dam project and so that we can continue to improve the safety of other publically owned dams in Minnesota. DNR estimates $114 million will be needed over the next 20 years to repair, reconstruct, or remove publically owned dams.

Impact on Agency Operating Budgets (Facilities Notes)

Consistent, long-term funding of at least $4.0 million per biennium is necessary to maintain public dams and to remove dams that are obsolete or become safety hazards. DNR's general operating budget does not include funding for dam safety projects.

Previous Appropriations for this Project

L2009, Ch. 93	Bond	$2,000,000
L2008, Ch. 179	Bond	2,000,000
L2006, Ch. 258 Sec. 7	Bond	2,250,000
L2005, Ch. 20	Bond	2,000,000
L2003, Ch. 128	Bond	1,050,000
L2002, Ch. 393	Bond	1,800,000
L2000, Ch. 492	Bond	1,200,000

Other Considerations

Key measures and outcomes:
Unsafe, unsound or obsolete dams are removed, repaired, or modified, improving public safety, water quality, recreational opportunities, and fish and wildlife habitat through projects at approximately ten high-priority public dams across the state.

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Governor's Recommendations

The Governor recommends general obligation bonding of $4.0 million for this project. Also included are budget planning estimates of $4.0 million in each of 2012 and 2014.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	1,250	1,000	1,000	1,000	4,250
4. Project Management	250	200	200	200	850
5. Construction Costs	3,500	2,800	2,800	2,800	11,900
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	**5,000**	**4,000**	**4,000**	**4,000**	**17,000**

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	4,000	4,000	4,000	12,000
State Funds Subtotal	0	4,000	4,000	4,000	12,000
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**	**4,000**	**4,000**	**4,000**	**12,000**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	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	4,000	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)
No	MS 16A.642: Project Cancellation in 2015

2010 STATE APPROPRIATION REQUEST: $20,000,000

AGENCY PROJECT PRIORITY: 1 of 26

PROJECT LOCATION: Statewide

Project At A Glance

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

Project Description

This request for $20 million 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 make cost sharing grants of up to 50 percent of non-federal project costs to implement measures that reduce or eliminate flood damage. These projects protect the life and safety of Minnesotans by reducing future damages from floods and are built in cooperation with federal, state, and local governments. This program also supports the DNR's conservation mission of protecting natural resources, providing outdoor recreation opportunities to the public, and maintaining the economic vitality of Minnesota's communities by improving habitat with the construction of impoundments, creating natural open space in the flood plain, and working with partners to ensure the health of local communities. Flood damage reduction is a performance indicator in the DNR's *"A Strategic Conservation Agenda 2003-2007*."

Major floods in 1997, 2001, 2002, 2004, 2006, 2007, and 2009 were reminders of the significant damage floods can cause. Damage costs from the 1997 Red and Minnesota River floods alone exceeded $1.5 billion. The 2007 flood in Browns Valley and southeast Minnesota and widespread flooding of record proportion in the spring of 2009 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 are significantly reduced by the implementation of flood hazard mitigation projects.

- Since its inception in 1988, the program has helped fund the removal of over 2,000 homes and businesses from the floodplain.
- Floodplain restoration has resulted in increased fish and wildlife habitat and public recreational opportunities.
- Projects significantly reduce the stress and financial burden of emergency flood fighting and recovery.

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 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 two percent of median household income. Federal projects that are proceeding include Ada, Dawson, Montevideo, Roseau, and Breckenridge. Non-federal projects include Crookston, Granite Falls, Austin, Oakport Township, North Ottawa impoundment, and the Agassiz Valley impoundment. Project priorities are subject to change and dependent on risk of flooding, availability of federal funds, if applicable, ability of the local government to proceed, and local government's compliance with flood plain regulations.

Demand for flood hazard mitigation projects exceeds this bonding request. Additional needs include structure acquisition, levee repair and construction, impoundments, floodwalls, and landlocked lake outlet.

Impact on Agency Operating Budgets (Facilities Notes)

Current DNR staff funded by general fund appropriations will administer the flood hazard mitigation projects.

Previous Appropriations for this Project

L2009, Ch. 93	Bond	$53,800,000
L2008, Ch. 179	Bond	33,900,000
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	1,400,000
L2002, Ch. 393	Bond	30,000,000
L2001, 1SS Ch. 12	Bond	2,000,000
L2000, Ch. 492	Bond	14,300,000

During the last nine years total appropriations of $190.4 million have been authorized for flood hazard mitigation grants.

Other Considerations

Key measures and outcomes:
Flood damages to people and property are significantly reduced in at-risk communities through acquisition and relocation, levees, floodwalls, flood control works, and impoundments.

Flood hazard mitigation projects significantly reduce the potential for damages to homes, businesses, and public infrastructure. Prevention is very cost effective. The consequences of inadequate funding result in project delays and increased project costs due to inflation. In addition, existing levels of flood damage potential in these areas continues unabated. Grant criteria identified in M.S. 103F.161 provide for a 50:50 cost share. Local cost-share formulas should be evaluated for equity. A consistent level of funding is desirable so DNR and local governments can effectively plan for and schedule flood damage reduction projects.

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Governor's Recommendations

The Governor recommends general obligation bonding of $50.0 million for this project. Also included are budget planning estimates of $20.0 million in each of 2012 and 2014.

The DNR increased the amount of its request from $20 to $40 million given requests for flood relief from several communities in the Red River Basin. It is anticipated that the Governor's recommendation will allow funding for a number of these projects, some of which have been submitted as local government bonding requests.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
1. Property Acquisition	40,000	5,000	5,000	5,000	55,000
2. Predesign Fees	8,000	1,000	1,000	1,000	11,000
3. Design Fees	15,000	3,000	3,000	3,000	24,000
4. Project Management	12,000	1,000	1,000	1,000	15,000
5. Construction Costs	45,000	10,000	10,000	10,000	75,000
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	**120,000**	**20,000**	**20,000**	**20,000**	**180,000**

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	120,000	20,000	20,000	20,000	180,000
State Funds Subtotal	120,000	20,000	20,000	20,000	180,000
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	**120,000**	**20,000**	**20,000**	**20,000**	**180,000**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	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	20,000	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)
No	MS 16A.642: Project Cancellation in 2015

2010 STATE APPROPRIATION REQUEST: $2,000,000

AGENCY PROJECT PRIORITY: 1 of 26

PROJECT LOCATION: Statewide

Project At A Glance

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

Project Description

This request for $2 million in state bond funds will provide for the installation of new ground water level monitoring wells (also known as observation wells) in selected priority areas where the well network is inadequate to provide data 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.

- $1.75 million for contracts with well drillers; and
- $250,000 for the Department of Natural Resources' (DNR) construction of shallow wells.

This program supports the DNR's conservation mission of protecting natural resources and maintaining the economic vitality of Minnesota's communities by managing the state's water resources. Water protection and planning has been identified by the department as a strategic direction critical to addressing the key trend of landscape changes from growth and development.

Two-thirds of Minnesota's public water supply comes from ground water. Demand for water resources in Minnesota is increasing at a rate greater than population growth. As demand increases, communities in some areas of the state are struggling to find an adequate water supply. Monitoring of ground water levels provides state, local, and private partners the up-to-date information needed for water supply planning.

Monitoring of ground water levels in Minnesota began in 1947, but the number of ground water monitoring wells has remained constant at approximately 750 wells for many years. 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 consultants, the Metropolitan Council, the Department of Health, the Pollution Control Agency, and Department of Agriculture use this information for ground water evaluation and planning purposes. In order to plan effectively for current and future water needs, more information is needed in select areas of the state where the well network is inadequate to assess ground water availability.

An additional ten to 15 deep wells (Mt. Simon aquifer) and another five to ten intermediate depth wells (Prairie du Chien/Jordan) are needed in the metropolitan area. Other parts of the state have aquifers under intensive use and it is essential to learn more about these aquifers to be able to provide for sustainable use management. Examples of priority areas include the western side of the state from Moorhead to Worthington, Brooten, Rochester, and the outer growth ring of the metropolitan area.

The density, location, and depth of the wells in most of the state is not adequate for assessing long term trends within the most valuable aquifers. The Twin Cities metropolitan area is a high priority monitoring area where the density of monitoring wells in some areas is insufficient to detect the development of depressed water level surfaces that could be caused by excessive ground water withdrawal. This deficiency is especially acute for the deeper aquifers that are known to recharge very slowly. The state and local governments will be able to manage aquifers sustainably with the data provided by these wells for quantity and quality purposes.

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. DNR would construct a limited number of shallow wells which would have minor effect.

Previous Appropriations for this Project

L2008, Ch. 179	Bond	$500,000
L2008, Ch. 367	LCCMR	$1,600,000

Other Considerations

Key measures and outcomes:
Expanded ground water level monitoring network provides information critical to determining trends for aquifer sustainability and better informs management of the state's water supply.

- Add an estimated 20 deep and 60 shallow wells to the existing network; and
- Seal existing, state-owned wells that are obsolete or no longer functional.

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Governor's Recommendations

The Governor recommends general obligation bonding of $1.0 million for this project. Also included are budget planning estimates of $1.0 million in each of 2012 and 2014.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	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	1,394	2,000	2,000	2,000	7,394
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	**1,394**	**2,000**	**2,000**	**2,000**	**7,394**

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	500	2,000	2,000	2,000	6,500
Env & Natural Resoures	894	0	0	0	894
State Funds Subtotal	1,394	2,000	2,000	2,000	7,394
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	**1,394**	**2,000**	**2,000**	**2,000**	**7,394**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	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	2,000	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
Yes	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)
No	MS 16A.642: Project Cancellation in 2015

2010 STATE APPROPRIATION REQUEST: $5,000,000

AGENCY PROJECT PRIORITY: 2 of 26

PROJECT LOCATION: Statewide

Project At A Glance

- Community Conservation Assistance (CCA) provides grants as financial incentives to local governments to conserve high value natural habitats through acquisition or easement, leveraging other public (non-state) and private funding sources

Project Description

This request is for $5 million in state bond funds for grants to local governments to conserve important natural habitats. This project supports the Department of Natural Resources' (DNR) conservation mission of protecting natural resources, providing outdoor recreation opportunities to the public, and maintaining the economic vitality of Minnesota's communities. Community conservation assistance has been identified by the department as a strategic direction critical to addressing the key trend of landscape changes related to growth and development.

Within the next two decades, a projected 1.2 million more people will reside in Minnesota. While over 90 percent of that growth will be concentrated between Rochester and St. Cloud, all of the state's 20 regional growth nodes will face important land use decisions. CCA will:

- Provide partial funding to 25 - 30 communities within the fastest growing areas in the state to conserve high value, threatened natural habitats and help reduce or prevent negative impacts to water quality and quantity.

These funds will enable any DNR region with an identified strategic conservation framework and public participation process to work in partnership with local communities to identify and protect mutually desired habitats. Funds will only be used to assist local units of government or their representatives in land acquisition by fee title or easement. All acquisitions will be owned and managed by a local government entity and all protection projects will require natural resource management plans that specify responsibility for ongoing management and stewardship to ensure long-term ecological health.

Some of the types of criteria that might be used to select projects within fast growth communities include:

- ecological quality of proposed site;
- location of site in the watershed and in the identified strategic conservation network (e.g., buffer to state-owned lands, new habitat patch, connector between key habitats);
- immediacy and extent of development (increased impervious surface areas);
- interested local government partner;
- public value and community support;
- project readiness and absence of liability; and
- non-state cash and in-kind local funds committed to the project.

This request will enable the agency to assist local governments with a more strategic approach to achieve greater conservation outcomes statewide.

Impact on Agency Operating Budgets (Facilities Notes)

Staff assistance in developing the conservation framework, project review and selection, execution of grant agreements with local governments; approval of local management plans.

Previous Appropriations for this Project

CCA is a new statewide outreach effort that builds directly off of the past successes of agency landscape and watershed initiatives over the last two decades. Since 1998, the Minnesota Legislature has approved almost $15 million in capital funds for strategic regional-scale conservation approaches (Metro Greenways Program and Metro Conservation Corridors Partnership). These appropriated funds have leveraged additional, non-state conservation funding.

L2009, Ch. 143 Env. Trust $3,375,000

Other Considerations

Key measures and outcomes:

- Approximately 500-1,500 acres of high quality habitat conserved through grants to local governments.

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Governor's Recommendations

The Governor recommends general obligation bonding of $0.5 million for this project. Also included are budget planning estimates of $0.5 million in each of 2012 and 2014.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	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	5,000	5,000	5,000	15,000
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**	**5,000**	**5,000**	**15,000**

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	5,000	5,000	5,000	15,000
State Funds Subtotal	0	5,000	5,000	5,000	15,000
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**	**5,000**	**5,000**	**15,000**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	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 2015

Diseased Shade Tree Removal and Replacement

2010 STATE APPROPRIATION REQUEST: $2,000,000

AGENCY PROJECT PRIORITY: 2 of 26

PROJECT LOCATION: Statewide

Project At A Glance

- $2 million to assist communities in the removal and replacement of dead or dying shade trees located on public property that are lost to emerald ash borer or other harmful, invasive forest pests or diseases.

Project Description

This request is for $2 million in state bond funds to adequately address M.S. 89.01, Subd. 1, 2 and 4 that require:

- Utilization of best methods to minimize loss or damage of forest resources by shade tree pests;
- Protection of shade trees from shade tree pests; and
- Cooperation with state, federal and local units of government and the private sector in the preparation of plans for forest protection and management and planting or replacement of trees in the promotion of forest resources of the state.
- Acquisition and development of facilities in key locations to produce low cost replacement tree stock for public use in communities impacted by forest disease and invasive pests. DNR will seek partnerships with the nursery industry.

Community forests are facing imminent threats from harmful invasive pests such as the emerald ash borer (EAB) and gypsy moth. Invasive species harm Minnesota's environment and economy and threaten human health. With the landscape changes that result from increasing population and development, proactive conservation strategies, including integrated public and private land management efforts such as the community forest grant program, are critical to maintaining the health of the state's lands and waters and addressing natural resource challenges such as invasive species.

The financial burden to communities affected by EAB or other harmful invasive species outbreaks will exceed those incurred due to Dutch elm disease and oak wilt. This program will build on past successes of the Minnesota Shade Tree Program and Minnesota ReLeaf Grant Program to build the capacity of local forestry programs to prepare for these pests, utilize the trees needing to be removed, and restore the many benefits of healthy, diverse urban forests.

Requirements of the project:
By the end of the project, grant recipients must demonstrate their commitment to on-going care by providing the following documents:

- Updated Community Forestry or Shade Tree Ordinance;
- Annual Maintenance Plan for public trees;
- Community Forestry Public Education Plan; and
- Management Plan or Forest Health Management Plan.

Grant funds may be used for:

- Professional contracts for technical assistance, administration or implementation of the grant project;
- Removal and disposal or utilization of public trees lost to forest pests or disease;
- Purchase, site preparation, and planting of trees on publicly owned land; and
- Mulch for grant project plantings (only if a free community source is not available).

Projects will be evaluated according to how well they:

- Demonstrate commitment to long-term monitoring and management of the project;
- Increase the diversity of tree species;
- Develop and help sustain urban and community forestry programs; and
- Benefit the entire urban forest resource and provide multiple benefits to the community.

Impact on Agency Operating Budgets (Facilities Notes)

Without the ability to make capital investments in grants for removal and replacement of shade trees lost to forest pests or disease, the source of funding for reforestation would be the DNR's Division of Forestry operating budget.

Previous Appropriations for this Project

L2008, Ch.179	Bond	$500,000

Other Considerations

Key measures and outcomes:

- Grants for removal and replacement of shade trees within 15-25 communities.

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 recommends general obligation bonding of $2.0 million for this project. Also included are budget planning estimates of $2.0 million in each of 2012 and 2014.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	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	1,500	2,000	2,000	2,000	7,500
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	**1,500**	**2,000**	**2,000**	**2,000**	**7,500**

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	1,015	2,000	2,000	2,000	7,015
State Funds Subtotal	1,015	2,000	2,000	2,000	7,015
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	485	0	0	0	485
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	**1,500**	**2,000**	**2,000**	**2,000**	**7,500**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
Compensation -- Program and Building Operation	162	162	162	486
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	162	162	162	486
Revenue Offsets	0	0	0	0
TOTAL	162	162	162	486
Change in F.T.E. Personnel	2.0	2.0	2.0	6.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	2,000	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
Yes	MS 16A.695 (2): Use Agreement Required
Yes	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
No	MS 16A.642: Project Cancellation in 2015

2010 STATE APPROPRIATION REQUEST: $3,000,000

AGENCY PROJECT PRIORITY: 2 of 26

PROJECT LOCATION: Statewide

Project At A Glance

- This funding will improve fish hatchery production through targeted improvements to hatchery facilities.

Project Description

This request is for $3.0 million to assist in preserving the state's existing infrastructure by supporting improvements to fish hatchery facilities. The fish hatchery improvement program improves statewide facilities for fish culture, rearing, and holding. This fish hatchery improvement project supports the Department of Natural Resources' (DNR) conservation mission of protecting natural resources, providing outdoor recreation opportunities to the public, and maintaining the economic vitality of Minnesota's communities by providing healthy fish populations. High-quality fishing opportunities in Minnesota are supported, in part, by the successful operation of the state's fish hatcheries. Fish hatcheries produce millions of walleye, trout, salmon, muskellunge, and other important game species for stocking in approximately 1,333 lakes and 125 streams statewide.

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 or cooling systems;
- Upgrading existing drainable ponds;
- Constructing fish holding facilities; and
- Acquiring land, designing and constructing drainable ponds and other facilities to support transition of walleye rearing from natural wetlands to drainable ponds.

Specific project areas include the following components:

- System upgrades at several cool and warm fish hatcheries including Bemidji, Fergus Falls, Glenwood, and New London. Facility upgrades will improve water quality options for hatching walleye eggs. Improvements will be made to both surface and groundwater used at all of the facilities. Solar heating will be an option considered at one of the facilities.
- Rehabilitation, upgrading, and improvements to fish hatcheries statewide. Facilities need upgrades to improve operations, security, repair water intakes, update oxygen equipment, or reduce energy costs through design and implementation of energy efficient measures, including use of solar and geothermal heating, heat exchangers, and water turbines for electricity.
- Design and construction of additional drainable ponds at the Waterville State Fish Hatchery, a state owned facility. Currently the state operates between 325 to 350 walleye rearing ponds in shallow wetlands. This investment allows DNR to create additional rearing opportunities in excavated ponds, reducing the need to use natural ponds for rearing walleye.

Impact on Agency Operating Budgets (Facilities Notes)

No major impacts on the agency's operating budget anticipated. The Section of Fisheries spends approximately 18 percent 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.93	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

Key measures and outcomes:

- High angler satisfaction levels are maintained through the propagation and stocking of fish in approximately 1,333 lakes and 125 streams.
- Fish hatchery production levels are sustained at peak efficiency through targeted improvements to hatchery facilities.
- The transition of walleye rearing from natural wetlands to drainable ponds is supported through land acquisition, design and construction of drainable ponds.

Project Contact Person

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Governor's Recommendations

The Governor does not recommend capital funds for this project.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	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 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	4,345	3,000	3,000	3,000	13,345
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 2010-11	FY 2012-13	FY 2014-15	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)
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 2015

Forest Stand Improvement

2010 STATE APPROPRIATION REQUEST: $2,000,000

AGENCY PROJECT PRIORITY: 2 of 26

PROJECT LOCATION: Statewide

Project At A Glance

- $1 million to promote forestation on state forest lands.
- $1 million for grants to local communities to implement federal FireWise program.

Project Description

This request is for $2 million in state bond funds to meet 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 improving the quality and value of Minnesota's forest assets and reducing the risk of wildfire. DNR will pursue:

- improvements to state forests; and
- grants to communities to remove excessive fuel loads in accordance with Community Wildfire Protection Plans developed though the federal FireWise initiative.

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 and prevent and abate forest fires, including the compulsory clearing and improving of wild lands whether public or private". Minnesota can preserve and enhance the value of state forests through investments that enhance forest health and productivity.

Forestation on State Forest Lands:
The funds will be used to:

- treat younger tree stands by removing unhealthy, lower value trees as well as reducing competition for the healthiest and most desirable trees and
- treat older tree stands that are now non-commercial due to low volume and/or a significant amount of insect and disease damage.

This investment will preserve and enhance forest land assets for the state by supporting healthy and diverse forest communities. Healthy forests are needed to meet both long-term and short-term economic needs, maintain critical biological diversity and wildlife habitat mitigate adverse impacts of climate change, and support diverse recreational opportunities for the people of Minnesota.

FireWise Program:
Fuel reduction projects that decrease the exposure of communities to damage from wildfires will be supported. These projects will be supported by grants to communities based upon needs identified within Community Wildfire Protection Plans approved by the Director. These projects will also provide a potential source of woody biomass and support healthy community forests.

Impact on Agency Operating Budgets (Facilities Notes)

DNR's current biennial budget appropriation does not include funding to allow for the forest stand improvement activities described in this project.

Previous Appropriations for this Project

None

Other Considerations

Key measures and outcomes:

- Improvements on 4,000-6,000 acres of state forest lands; and
- Grants to local communities to implement fuel load reduction projects on 5,000–7,500 acres.

Impacts of invasive and native forest pests, and the effects of climate change, have exacerbated wildfire fuel conditions. If left unaddressed these conditions have the potential to create catastrophic fire conditions that could have a devastating impact on rural communities. Fire suppression costs in the urban/rural interface are driven by the protection of life and property. Establishing healthy forests around communities will directly impact suppression costs.

Minnesota Climate Change Advisory Group recommendations (April 2008) identified "forest management programs to enhance GHG benefits" including:

- "Encourage activities that promote forest productivity and increase the amount of carbon sequestered in forest biomass and soils and in long-lived wood products. Practices may include…managing thinning and density;"
- "Reduce the severity of wildfires to reduce GHG emissions by lowering the forest carbon lost during a fire and by maintaining carbon sequestration potential;"
- "Reducing damage from insects, disease, and invasive plants decreases GHG emissions by maintaining the carbon sequestration potential of healthy forests;"
- Expanded use of biomass feedstocks for electricity, heat, or steam production which suggests "a sustainable quantity of biomass….for efficient conversion to energy and economical production of heat, steam, or electricity."

Project Contact Person

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Governor's Recommendations

The Governor recommends general obligation bonding of $2.0 million for this project. Also included are budget planning estimates of $2.0 million in each of 2012 and 2014.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	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	5,800	2,000	2,000	2,000	11,800
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	**5,800**	**2,000**	**2,000**	**2,000**	**11,800**

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	2,000	2,000	2,000	6,000
State Funds Subtotal	0	2,000	2,000	2,000	6,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	5,800	0	0	0	5,800
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	**5,800**	**2,000**	**2,000**	**2,000**	**11,800**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	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	2,000	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)
No	MS 16A.642: Project Cancellation in 2015

2010 STATE APPROPRIATION REQUEST: $8,000,000

AGENCY PROJECT PRIORITY: 2 of 26

PROJECT LOCATION: Statewide

Project At A Glance

- $8 million to acquire perpetual conservation easements and fee title on private forest lands.

Project Description

This request for $8 million in state bond funds is to acquire perpetual easements and fee title 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, ensuring the continuation of sustainable forest management activities, and prevent the fragmentation and loss of productive forest lands.

Minnesota contains 14.7 million acres of commercial forest land. These lands are about equally divided between public and private ownership, with state forests representing approximately 20 percent of commercial forest land in the state. Integrated public and private land management through a comprehensive landscape approach has been identified by the DNR as a strategic direction critical to addressing the key trend of landscape changes related to growth and development.

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, largely undeveloped private industrial tracts of Minnesota forests are at risk of being sold, 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 interests to help maintain these large blocks of undeveloped forest land. Acquisitions will reduce development pressure on private lands and help address trespass and access problems on state lands.

This request will help fund efforts in DNR's *A Strategic Conservation Agenda*, including land asset management and the Minnesota Forests for the Future Program. It will provide funding to secure the most critical accesses and realize the greatest opportunities for consolidation identified in the department's 20-year strategic land asset management planning goal to acquire more than 150,000 acres of state forest in-holdings and access through exchanges with and purchases from willing sellers. It will also provide funding to protect private forests providing 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)

DNR and partners will need to provide professional services such as appraisal, survey, and title work to support these acquisitions. In addition, DNR will need to absorb the annual costs of maintaining and monitoring conservation easements acquired.

Previous Appropriations for this Project

L2009, Ch. 172	Legacy	$18,000,000 – 2010 18,000,000 – 2011
2009	Federal	3,500,000
L2008, Ch. 30	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

Other Considerations

Key measures and outcomes:

- Acquire approximately 8,500 acres of conservation easements on private forest land and 1,300 acres of fee title.
- Private forest lands maintained as unfragmented wildlife habitat, a sustainable source of timber for the state's forest industries, and a place for public outdoor recreation.

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Governor's Recommendations

The Governor recommends general obligation bonding of $0.5 million for this project. Also included are budget planning estimates of $0.5 million in each of 2012 and 2014.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
1. Property Acquisition	31,840	7,000	7,000	7,000	52,840
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	1,281	1,000	1,000	1,000	4,281
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	**33,121**	**8,000**	**8,000**	**8,000**	**57,121**

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	11,500	8,000	8,000	8,000	35,500
Env & Natural Resoures	3,645	0	0	0	3,645
Reinvest In Minnesota	250	0	0	0	250
Miscellaneous Agency	7,974	0	0	0	7,974
General	417	0	0	0	417
State Funds Subtotal	23,786	8,000	8,000	8,000	47,786
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	8,990	0	0	0	8,990
Local Government Funds	0	0	0	0	0
Private Funds	345	0	0	0	345
Other	0	0	0	0	0
TOTAL	**33,121**	**8,000**	**8,000**	**8,000**	**57,121**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	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)
No	MS 16A.642: Project Cancellation in 2015

2010 STATE APPROPRIATION REQUEST: $5,500,000

AGENCY PROJECT PRIORITY: 2 of 26

PROJECT LOCATION: Statewide

Project At A Glance

- Acquisition of conservation easements on approximately 2,500 acres of privately owned native prairie through the Native Prairie Bank (NPB) Program
- Development on approximately 800 acres of NPBs in order to buffer and increase the viability of native prairie as habitat for rare plant and animal species and Species of Greatest Conservation Need (SGCN)

Project Description

State funding of $5.5 million is requested for Native Prairie Bank (NPB) conservation easement acquisition and development. This program supports the Department of Natural Resources' (DNR) conservation mission of protecting natural resources, providing outdoor recreation opportunities to the public, and maintaining the economic vitality of Minnesota's communities by assisting private landowners in the conservation of native prairie. Private lands conservation assistance has been identified by the department as a strategic direction critical to addressing the key trend of landscape changes related to growth and development. With more than 75 percent of Minnesota's land under private ownership, private landowners are crucial partners in the conservation of the state's natural resources.

Native prairie is Minnesota's most endangered natural habitat type. The state once had over 18 million acres of prairie. Today, an estimated 169,000 acres of native prairie remain, of which about 94,800 acres are threatened. The remaining remnant native prairies are in jeopardy of being lost forever unless they are protected now. Conservation of Minnesota's remaining native prairie has statewide significance because native prairies provide significant ecological benefits – they are home to more than 100 species of rare and endangered plants and animals, and provide excellent wildlife habitat for nesting waterfowl, pheasant, and other upland nesting birds. Native prairies also contribute to productive agriculture by supporting grazing, haying, seed production, and providing biomass for energy.

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. The tract 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.

Native Prairie Bank Acquisition. To date, 88 NPBs, encompassing 7,628 acres of native prairie, have been acquired. The long-range goal of the NPB program is to acquire 20,000 to 30,000 acres of native prairie on private land – most of this within the next ten years. Approximately $5.0 million of this funding request would be used to enroll approximately 2,500 acres of native prairie on an estimated 30 tracts of private land in the NPB program.

Native Prairie Bank Development. Approximately $500,000 of this request would be used for NPB development on approximately 800 acres, such as NPB boundary signs, removal of woody encroachment, control of invasive plants, and planting with native local prairie seed. These efforts will serve to buffer and increase the viability of native prairie as habitat for rare plant and animal species and SGCN.

This request would contribute to the long-term target of enrolling more than 2.5 million acres in conservation land retirement programs by 2010 and conduct at least 50 management projects on native prairie each year. Furthermore, NPB acquisition and development directly achieve the *Minnesota Statewide Conservation and Preservation Plan* "Critical Land Protection" recommendation H1 "Protect priority land habitats," which specifically targets conservation of native prairie and savanna as well as landscape-scale complexes centered on concentrations of existing remnant habitat.

NPB acquisition and development also address the key trend of changes related to climate. The acquisition of each NPB conservation easement provides private landowners incentives to conserve land and manage it to retain the carbon-sequestration values of prairie, while also improving the resilience of natural lands to climate change.

Impact on Agency Operating Budgets (Facilities Notes)

Administration responsibilities include monitoring landowner compliance with easement conditions, and providing stewardship advice and assistance to landowners to maintain or improve the condition of their native prairie. The level of funding needed for program management will depend upon the number of new NPBs acquired as well as their location relative to other DNR lands.

Previous Appropriations for this Project

L2008, Ch. 179	Bond	$4,000,000 (SNA & NPB)
L2008, Ch. 367	Env. Trust	475,000 (SNA & NPB)
L2006, Ch. 258	Bond	1,000,000
L2005, Ch. 20	Bond	1,000,000
L2003, Ch. 128	Env. Trust	191,600
	(Phase 2 – Habitat Corridor Partnership)	
L2003, Ch. 128	Bond	1,000,000
L2001, 1SS, Ch. 2	Env. Trust	300,000
	(Phase 1 - Habitat Corridor Partnership)	
L2000, Ch. 492	Bond	1,000,000
L1998, Ch. 492	General	400,000

Other Considerations

Key measures and outcomes:

- Acquire approximately 2,000 acres of native prairie on private lands.
- Develop approximately 800 acres of NPBs.

Project Contact Person

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Governor's Recommendations

The Governor recommends general obligation bonding of $0.5 million for this project. Also included are budget planning estimates of $0.5 million in each of 2012 and 2014.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
1. Property Acquisition	4,537	5,000	5,000	5,000	19,537
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	120	500	500	500	1,620
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	**4,657**	**5,500**	**5,500**	**5,500**	**21,157**

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	4,046	5,500	5,500	5,500	20,546
Env & Natural Resoures	611	0	0	0	611
Arts & Cultural Heritage Fund	0	0	0	0	0
State Funds Subtotal	4,657	5,500	5,500	5,500	21,157
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	**4,657**	**5,500**	**5,500**	**5,500**	**21,157**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	593	821	1,414
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	593	821	1,414
Revenue Offsets	0	0	0	0
TOTAL	0	593	821	1,414
Change in F.T.E. Personnel	3.0	3.0	3.0	9.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	5,500	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)
No	MS 16A.642: Project Cancellation in 2015

Native Seed Production Facility

2010 STATE APPROPRIATION REQUEST: $5,000,000

AGENCY PROJECT PRIORITY: 2 of 26

PROJECT LOCATION: Statewide

Project At A Glance

- $5 million for the design and construction of a state-of-the-art native seed production facility.

Project Description

This request is for $5 million in state funds to build a Native Seed Production Facility that helps meet requirements in M.S. 216H.02, Subd.1 and M.S. 89.01, Subd.1. This project 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 creating a public-private partnership for a state-of-the-art production facility that will collect, store, and propagate native seeds in an effort to better meet tomorrow's conservation challenges.

This facility will support the collection, cleaning, processing, and storage of native seeds:

- Seed collection or purchase will be conducted in compliance with source certification standards;
- This facility will provide the capability to clean and process five to ten tons of native plant seed annually; and
- Seed storage facilities will support a two to five year supply of prioritized and available seed sources.

These activities are essential for protecting Minnesota's forest, brushland, wetland, and prairie ecosystems from catastrophic impacts due to invasive pests and climate change. This project will support our ability to perpetuate diverse native genotypes.

This project supports:

- Conversion of state facilities to alternative energy sources and implementation of energy conservation measures;
- Production of certified native tree, shrub, forb, and prairie plant seed to support conservation initiatives;
- Testing and storage of Minnesota seeds to maintain genetic diversity and sustainability of ecosystems; and
- Public-private partnership to support statewide efforts related to native seed collection, storage, and propagation.

The availability of appropriate conservation restoration materials will support state initiatives related to clean water, carbon sequestration, as well as wetland and prairie restoration.

Impact on Agency Operating Budgets (Facilities Notes)

- Sales of seed and regeneration materials will offset collection, processing and storage costs; and
- Establishing seed production areas will require $100,000 to $200,000 annually.

Previous Appropriations for this Project

No previous appropriations have been sought for this project. Current tree seed processing operations at State Forest Nurseries have been self supporting since 1984.

Other Considerations

Key measures and outcomes:

- Design and construction of native seed processing facility; and
- Successful public-private partnerships to ensure long-term needs are met.

Project Contact Person

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Governor's Recommendations

The Governor does not recommend capital funds for this project.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	19	0	0	19
3. Design Fees	0	376	0	0	376
4. Project Management	0	102	0	0	102
5. Construction Costs	0	3,568	0	0	3,568
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	630	0	0	630
9. Inflation	0	305	0	0	305
TOTAL	**0**	**5,000**	**0**	**0**	**5,000**

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	5,000	0	0	5,000
State Funds Subtotal	0	5,000	0	0	5,000
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**	**0**	**0**	**5,000**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	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 2015

2010 STATE APPROPRIATION REQUEST: $3,000,000

AGENCY PROJECT PRIORITY: 2 of 26

PROJECT LOCATION: Statewide

Project At A Glance

- Acquire and improve critical fish, wildlife, and native plant habitats through the RIM Critical Habitat Match program.

Project Description

This request for $3 million in state bond funds will leverage an equal amount in private donations to acquire and improve critical habitat for fish, wildlife, and native plants throughout the state. 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 through the acquisition and improvement of land for wildlife management areas, scientific and natural areas, aquatic management areas, state parks, or state forests.

The RIM Critical Habitat Match (CHM) Program is one of the most innovative and cost-effective programs in the U.S. by leveraging state investments with equal investments in private donations of land or cash to improve fish, wildlife, and native plant habitats and ensure quality recreational opportunities. Integrated public and private land management through a comprehensive landscape approach has been identified by the department as a strategic direction critical to addressing the key trend of landscape changes related to growth and development.

Currently, the sole 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 Reinvest in Minnesota (RIM) Matching Account (M.S. 84.943). Demand for this program exceeds state funding, resulting in the potential loss of key conservation opportunities. The value of cash and land parcel donations to the CHM 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 by more than $5.8 million. This includes several large, pending land donations being considered that would require matching dollars beyond what will be available through Critical Habitat License Plate sales. Four new license plates have been added for purchase and display on motor vehicles. Additional CHM funds will allow DNR to increase state match of private donations.

Impact on Agency Operating Budgets (Facilities Notes)

As new lands are acquired, an increase in development costs is expected related to posting, parking lots, and habitat rehabilitation associated with the purchase of a new property. However, acquisition of priority parcels in existing units will improve effective land management and public use of existing investments.

Previous Appropriations for this Project

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

Key measures and outcomes:
Approximately 3,000 acres of land are acquired and improved through the leveraging of state investments with private donations, providing:

- Improved fish, wildlife, and native plant habitat; and
- High quality recreational opportunities.

Project Contact Person

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Governor's Recommendations

The Governor recommends general obligation bonding of $2.0 million for this project. Also included are budget planning estimates of $2.0 million in each of 2012 and 2014.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
1. Property Acquisition	19,744	2,600	2,600	2,600	27,544
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	1,339	400	400	400	2,539
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	**21,083**	**3,000**	**3,000**	**3,000**	**30,083**

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	10,542	3,000	3,000	3,000	19,542
RIM - Gifts	10,541	0	0	0	10,541
State Funds Subtotal	21,083	3,000	3,000	3,000	30,083
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	**21,083**	**3,000**	**3,000**	**3,000**	**30,083**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	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 2015

2010 STATE APPROPRIATION REQUEST: $8,000,000

AGENCY PROJECT PRIORITY: 2 of 26

PROJECT LOCATION: Statewide

Project At A Glance

- Acquisition and designation of approximately 900 acres of state Scientific and Natural Areas (SNAs), conserving native plant communities and rare species of state biodiversity significance.
- Development on approximately 1,000 acres of state SNAs in order to buffer and increase the viability of native plant communities as habitat for rare plant and animal species and Species of Greatest Conservation Need (SGCN).

Project Description

This request is for $8 million in state bond funds to acquire and develop lands as Scientific and Natural Areas (SNAs) across the state, with emphasis on conservation of native forest, fen, wetlands, savanna, prairie, and rock outcrop communities of biodiversity significance and their rare plants and animals and other Species of Greatest Conservation Need (SGCN). This program 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 (M.S. 86A.05, Subd. 5).

Integrated land management through a comprehensive landscape approach has been identified by the department as a strategic direction critical to addressing the key trend of landscape changes related to growth and development. Current priority sites for SNA acquisition proposed through this funding include those which involve collaboration with local governments and non-government organizations in cooperative conservation of natural areas so that growth in developing communities occurs in a way that avoids, minimizes, or mitigates impacts to natural resources. All sites targeted for acquisition are identified by the Minnesota County Biological Survey (MCBS) and those sites in the greater metropolitan area are priority areas in the green/natural resource infrastructure maps of the department's Central Region.

Acquisition and development of SNAs also addresses key trends related to changes in outdoor recreation and energy and climate. As part of the State Outdoor Recreation System, SNAs provide high quality nature-based outdoor recreational and educational opportunities including hiking, bird watching, hunting and nature photography. Current priorities for SNA acquisition include "close-to-home" sites within the metropolitan area that would readily give new urban populations access to high quality natural areas.

Also, natural area acquisition and development addresses changes related to energy and climate. Ecological restoration involves harvest of non-native trees and shrubs which are then available for woody biomass purposes. SNAs permanently conserve peatlands, wetlands, forests, and brushlands that excel in sequestering carbon. Development activities will be guided by new management plans including strategies for climate change mitigation and adaptation.

SNA Acquisition: $7 Million
SNAs are sites of statewide significance that preserve examples of rare plant communities, geological features, and rare and endangered species habitat. At present, 148 SNAs encompass approximately 183,300 acres. Of this total, about 146,700 acres are in 18 ecologically significant peatlands protected by the Wetland Conservation Act of 1991. This request will fund acquisition of approximately 900 acres of SNAs.

SNA Development: $1 Million
SNA development ensures that biological diversity is retained and prevents the loss of important species, plant communities, and features. For example, the habitat value and public use of SNAs can be improved through development activities such as removal of woody encroachment, seed collection, and replanting, as well as fencing and signing. Interpretive

signage helps promote the educational and recreational value of SNAs. This request will support development on approximately 1,000 acres.

Impact on Agency Operating Budgets (Facilities Notes)

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

Previous Appropriations for this Project

		Acquisition	Development*
L2009, Ch. 143	Trust Fund	$ 780,000	$ 220,000
L2008, Ch. 179	Bond	4,400,000**	600,000**
L2008, Ch. 367	Trust Fund	1,950,000**	340,000**
L2006, Ch. 258	Bond	1,800,000	200,000
L2005, 1SS, Ch. 1	Trust Fund	89,000	45,000
L2005, Ch. 20	Bond	150,000	150,000
L2003, Ch. 128	Trust Fund	400,000	80,000
L2003, Ch. 20	Bond	1,800,000	200,000
L2001, 1SS, Ch. 2	Trust Fund	455,000	0
L2000, Ch. 492	Bond	150,000	350,000

*Trust Fund includes dollars for restoration activities that are not all bondable
**Includes funding for NPB sites (& restoration of other private prairie land)

Other Considerations

Key measures and outcomes:
Acquire approximately 900 acres for designation as SNAs; and
Develop approximately 1,000 acres of SNAs.

Project Contact Person

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Governor's Recommendations

The Governor recommends general obligation bonding of $0.5 million for this project. Also included are budget planning estimates of $0.5 million in each of 2012 and 2014.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
1. Property Acquisition	4,842	7,000	7,000	7,000	25,842
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	1,090	1,000	1,000	1,000	4,090
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	**5,932**	**8,000**	**8,000**	**8,000**	**29,932**

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	4,405	8,000	8,000	8,000	28,405
Env & Natural Resoures	1,527	0	0	0	1,527
State Funds Subtotal	5,932	8,000	8,000	8,000	29,932
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	**5,932**	**8,000**	**8,000**	**8,000**	**29,932**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	399	1,417	1,555	3,371
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	399	1,417	1,555	3,371
Revenue Offsets	0	0	0	0
TOTAL	399	1,417	1,555	3,371
Change in F.T.E. Personnel	5.0	5.0	5.0	15.0

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)
No	MS 16A.642: Project Cancellation in 2015

2010 STATE APPROPRIATION REQUEST: $7,000,000

AGENCY PROJECT PRIORITY: 2 of 26

PROJECT LOCATION: State

Project At A Glance

- $6 million for reforestation of harvested state forest lands
- $1 million to address reforestation needs in Wildlife Management Areas

Project Description

This request is for $7 million in state bond funds to support 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 and to meet M.S. 89.002, Subd. 2 that requires reforestation of all harvested state forest lands.

The benefits of careful, adequate, and full reforestation are many:

- Improves a long-term asset that increases in value over time. Forests return millions of dollars to Minnesota's economy in the form of forest products, recreational opportunities such as hunting, fishing, and hiking that support the tourism industry, and ecological values from protecting water quality to sequestering carbon and supplying biomass to replace fossil fuels;
- Ensures healthy and resilient forests that are sustainably managed to provide a diversity of benefits;
- Helps meet landscape cover-type conversion and composition goals established during DNR Subsection Forest Resources Management Planning (SFRMP);
- Responds to cover type losses due to insect and disease outbreaks such as pine forests killed by jack pine budworm in northwestern and central Minnesota;
- Addresses the long-term sustainability of Minnesota's forests, which should be considered a capital investment rather than a yearly operating expense; and
- Addresses critical wildlife habitat needs by focusing on oak regeneration and establishment. Oak is widely used as forage by a variety of species (e.g., deer, bears, turkeys, ruffed grouse) and mature oak trees provide excellent snag potential for a number of species that use cavities for nesting or cover (e.g., squirrels, woodpeckers, raccoons). Concerted efforts are needed to regenerate all oak vegetation types across the landscape and to restore oak savannas, one of the rarest natural communities in the Midwest.

The goal of DNR's reforestation effort is to ensure that five years after the harvest, the area is stocked with trees ecologically best suited to the site and help meet landscape-level planning goals.

Reforestation efforts consist of four components:

- 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, securing reforestation equipment and 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.

Impact on Agency Operating Budgets (Facilities Notes)

Without the ability to make capital investments in all reforestation components, the source of funding for reforestation would be the DNR Division of Forestry operating budget to meet M.S. 89.002, subd. 2.

Previous Appropriations for this Project

L2008, Ch. 179	Bond	$3,000,000
L2006, Ch. 258	Bond	4,000,000
L2005, Ch. 20	Bond	2,000,000

Other Considerations

Key measures and outcomes:

- Healthy, resilient forests are sustainably managed to provide recreational opportunities, ecological values (water quality, habitat, and carbon sequestration), and economic forest products.
- Reforestation of all harvested state forest lands is ensured through site preparation and planting and seeding on approximately 35,000 acres over the next two years.

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…"

Project Contact Person

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Governor's Recommendations

The Governor recommends general obligation bonding of $3.5 million for this project. Also included are budget planning estimates of $3.5 million in each of 2012 and 2014.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	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	11,200	7,000	7,000	7,500	32,700
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	**11,200**	**7,000**	**7,000**	**7,500**	**32,700**

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	6,000	7,000	7,000	7,500	27,500
Forest Management Investment	5,200	0	0	0	5,200
State Funds Subtotal	11,200	7,000	7,000	7,500	32,700
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	**11,200**	**7,000**	**7,000**	**7,500**	**32,700**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	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)
No	Matching Funds Required (as per agency request)
No	MS 16A.642: Project Cancellation in 2015

2010 STATE APPROPRIATION REQUEST: $3,000,000

AGENCY PROJECT PRIORITY: 2 of 26

PROJECT LOCATION: State

Project At A Glance

- Improve degraded or channelized streams to benefit fish and wildlife habitat and water quality and reduce erosion and flooding impacts from landscape changes.
- Establish fish passage around man-made barriers.
- Provide funding for stream channel design.

Project Description

This request is for $3 million in state bond funds for stream protection and restoration activities to improve the quality of river systems. Approximately five projects on our statewide Stream Protection and Restoration project list are ready for design and construction and will be funded with these dollars. Restoration projects include:

- Removal and modification of barriers,
- Design and construction of natural channels,
- Riffle-pool patterns for stream bed stability, and
- Stream bank stabilization.

Projects are evaluated for community support, resource outcomes, critical habitat, technical feasibility, and compatibility with resource initiatives. This program supports the Department of Natural Resources' (DNR) conservation mission of protecting natural resources, providing outdoor recreation opportunities to the public, and maintaining the economic vitality of Minnesota's communities by protecting the state's water resources. Water protection and planning has been identified by the department as a strategic direction critical to addressing the key trend of landscape changes from growth and development.

Impact on Agency Operating Budgets (Facilities Notes)

There would be no major impacts on the agency's operating budget. The streams that would be improved with this request help provide for the improved health of the state's watersheds.

Previous Appropriations for this Project

L2008, Ch. 179	Bond	$1,000,000
L2006, Ch. 250	Bond	2,000,000
L2005, Ch. 20	Bond	500,000
L2003, 1SS Ch. 1280	Bond	500,000

Other Considerations

Key measures and outcomes:

- Improvements and stream channel design projects conducted on five of the highest priority rivers and streams in the state, improving fish and wildlife habitat, water quality, and recreational opportunities.

Project Contact Person

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Governor's Recommendations

The Governor does not recommend capital funds for this project.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	150	350	450	450	1,400
4. Project Management	110	200	250	250	810
5. Construction Costs	961	2,450	3,240	3,240	9,891
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	**1,221**	**3,000**	**3,940**	**3,940**	**12,101**

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	1,011	3,000	3,940	3,940	11,891
Game And Fish (Operations)	210	0	0	0	210
State Funds Subtotal	1,221	3,000	3,940	3,940	12,101
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	**1,221**	**3,000**	**3,940**	**3,940**	**12,101**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	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 2015

2010 STATE APPROPRIATION REQUEST: $24,500,000

AGENCY PROJECT PRIORITY: 2 of 26

PROJECT LOCATION: State

Project At A Glance

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

Project Description

This request for $24.5 million in state bond funds is to acquire, develop, and improve wildlife management areas (WMAs) and aquatic management areas (AMAs) across the state. This program 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 providing a high-quality system of WMAs (M.S. 86A.05, Subd. 8) and AMAs (M.S. 86A.05, Subd. 14) that protects critical fish and wildlife habitat, supports healthy fish and wildlife populations, and maintains public access to the state's land and water resources.

Integrated land management through a comprehensive landscape approach has been identified by the department as a strategic direction critical to addressing the key trend of landscape changes related to growth and development. Minnesota has one of the finest systems of publicly-owned WMAs and AMAs in the U.S., with 1,412 WMAs totaling more than 1.3 million acres and more than 834 shoreland miles of AMAs, of which 618 miles provide trout stream access and protection. WMAs and AMAs will play an increasingly important role in Minnesota's conservation future, serving as a refuge for fish and wildlife, as a place for people to enjoy the outdoors, and as a network of high-quality protected lands and waters in a rapidly changing landscape. WMAs and AMAs are critical for preventing the loss of wildlife and plant species due to climate change by allowing animals and plants to migrate in response to change.

WMA Acquisition	$ 12,500,000
AMA Acquisition	10,000,000
WMA/AMA Improvements	2,000,000

Acquisition ($22.5 million)
Specifically, this funding will:

- Acquire new lands for WMAs through direct purchase from willing landowners or permanent easements; and
- Acquire lake and stream shoreland for AMAs through fee title or permanent conservation easements.

This funding is consistent with a Citizen's Advisory Committee Report recommending the accelerated acquisition of 210,500 acres of new WMAs within the next ten years to meet the long-range needs for wildlife habitat, wildlife population management, and hunter access in the state. This funding will also accelerate the strategic acquisition of AMAs, consistent with a Citizen's Advisory Committee acquisition plan that recommended acquisition of 1,000 miles of trout stream and 750 miles of lake and warmwater stream during the next ten years.

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

Development and Improvement ($2.0 million)
This request is also to develop and improve facilities for user access and public land management on WMA and AMA lands. Facilities such as access roads, bridges, parking lots, and initial boundary surveys and sign postings provide user access and natural resource management benefits. Project prioritizing criteria include: safety and structure condition; access development with high recreational user potential; 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 in need of replacement and public lands acquired for public use should be safe, accessible, and easily identified to the public. This appropriation will also help preserve and improve the capital investments in the state's important wetland resources, and support the work of partners.

Impact on Agency Operating Budgets (Facilities Notes)

As new WMAs and AMAs are acquired, some increases in annual operating costs are expected. However, investments in development and facility improvements will decrease funding needs for emergency maintenance.

Previous Appropriations for this Project

WMA Acquisition and Development:

L2009, Ch. 172	Legacy	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

AMA Acquisition and Development:

L2009, Ch. 172	Legacy	$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

Key measures and outcomes:
A high-quality system of WMAs and AMAs provides for the enjoyment and appreciation of Minnesota's natural heritage by current and future generations through:

- Improved fish and wildlife habitat supporting productive fish and wildlife populations;
- Increased access to fishing, hunting, trapping, and wildlife-watching activities;
- Improved water quality and soil conservation; and
- Economic benefit through hunting, fishing, and wildlife watching related expenditures.

This will be accomplished by:

- Acquisition of approximately 2,500 acres for WMAs;
- Acquisition of approximately 21 miles of shoreland habitat for AMAs; and
- Development of user facilities, access roads, and trails in WMAs.

Strategic investments – through targeted acquisitions and collaborative partnerships – provide the important habitat complexes needed to sustain productive fish and wildlife populations, support working lands, provide recreational opportunities, and improve public access to recreation lands.

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Governor's Recommendations

The Governor recommends general obligation bonding of $4.0 million for this project. Also included are budget planning estimates of $4.0 million in each of 2012 and 2014.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
1. Property Acquisition	47,469	20,600	20,600	20,600	109,269
2. Predesign Fees	10,092	0	0	0	10,092
3. Design Fees	0	0	0	0	0
4. Project Management	2,952	1,900	1,900	1,900	8,652
5. Construction Costs	1,800	2,000	2,000	2,000	7,800
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	**62,313**	**24,500**	**24,500**	**24,500**	**135,813**

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	52,221	24,500	24,500	24,500	125,721
State Funds Subtotal	52,221	24,500	24,500	24,500	125,721
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	**52,221**	**24,500**	**24,500**	**24,500**	**125,721**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	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	24,500	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 2015

2010 STATE APPROPRIATION REQUEST: $2,000,000

AGENCY PROJECT PRIORITY: 2 of 26

PROJECT LOCATION: State

Project At A Glance

- Repair, replace or construct water control structures to provide core waterfowl habitat.

Project Description

This request is for $2 million in state bond funds to repair, replace or construct water control structures. Water control structures provide core waterfowl habitat on key shallow lakes and significant wetlands. The Department of Natural Resources (DNR) manages over 600 dikes, dams, water control structures and fish barriers across Minnesota. Some of these structures are deteriorating, requiring repair or replacement to maintain existing investments in the state's infrastructure. In other cases, installation of new structures is needed, requiring access or flowage easements or fee title acquisitions of private land in order to allow for public water level management. This project supports the DNR's 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 improving core waterfowl habitat.

Potential projects include:
- Removing and replacing inadequate or failing water control structures;
- Repairing and improving existing water control structures and dikes and upgrading to include fish barriers;
- Breaching existing dikes to allow flowage system to be managed in a natural state;
- Constructing new structures to improve lake habitat; and
- Acquiring access, flowage easements and fee title for state land control for water control structures.

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 (WMAs) and designated wildlife lakes.

Project priorities are determined using the following criteria:
- Safety and structure condition;
- Shallow lakes with high management potential and maximum wildlife benefit; and
- Projects that build upon existing land protection efforts, such as state or federal ownership or conservation easements.

Impact on Agency Operating Budgets (Facilities Notes)

There would be no major impacts on the agency's operating budget.

Previous Appropriations for this Project

L2008, Ch. 179	Bond	$500,000
L2006, Ch. 258	Bond	1,000,000

Other Considerations

Key measures and outcomes:
High-quality shallow lake and wetland habitat support healthy and productive waterfowl populations.
- Repair, replace, construct, or improve high-priority water control structures throughout the state, improving waterfowl habitat on up to 1,000 acres.

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.

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Governor's Recommendations

The Governor does not recommend capital funds for this project.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
1. Property Acquisition	0	150	150	150	450
2. Predesign Fees	0	0	0	0	0
3. Design Fees	225	230	230	230	915
4. Project Management	0	0	0	0	0
5. Construction Costs	1,270	1,620	1,620	1,620	6,130
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	**1,495**	**2,000**	**2,000**	**2,000**	**7,495**

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	1,495	2,000	2,000	2,000	7,495
State Funds Subtotal	1,495	2,000	2,000	2,000	7,495
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	**1,495**	**2,000**	**2,000**	**2,000**	**7,495**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	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	2,000	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 2015

2010 STATE APPROPRIATION REQUEST: $17,000,000

AGENCY PROJECT PRIORITY: 3 of 26

PROJECT LOCATION: State

Project At A Glance

- Develop new natural resource based outdoor recreation facilities which provide access to the outdoors and can facilitate introductory outdoor recreation experiences

Project Description

This request is for $17 million in state bond funds to develop new natural resource based outdoor recreation facilities which will provide greater access to the outdoors and better facilitate introductory outdoor recreation experiences to new users. This program 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 providing a high-quality state park, state trail, and water access system that serves the needs of a changing population. 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. Through this request, projects will help reverse the trend of declining rates in outdoor recreation participation by seeking to increase the connections families, young adults, children, and nontraditional groups have with the outdoors, while continuing to engage existing constituents. This request will support development of new facilities to expand outdoor recreation opportunities available to the public, such as:

- Development of 40 new camper cabins;
- Development of 20 miles of State Trail;
- Development of 5-7 Archery Ranges;
- Development of 3-5 water access sites;
- Development or improvement of up to ten group camps and group centers;
- Replacement or development of 50 fishing piers and shore fishing sites;
- Development of two nature-based play areas; and
- Mooring facilities for touring boaters or small craft harbor development or improvement.

Camper Cabins:
Camper cabins provide reasonably-priced lodging that meet the needs of key target markets for state park use. Surveys of park visitors and non-park users identify the availability of camper cabins as increasing their likelihood of visiting a state park. Camper cabins are especially attractive to those less experienced with state parks, including young families and single parents with children. This request would support development of 40 new camper cabins.

State Trails:
Develop key segments of authorized state trails and complete segments with partial funding. Some priority state trail projects currently in need of funding include Brown's Creek, Paul Bunyan completion, Glacial Lakes-Sibley Connection, Blazing Star, and Gitchi Gami.

Archery Ranges:
Develop five to seven family friendly archery ranges on appropriate state outdoor recreation units. Archery is growing in popularity partially due to DNR's Archery in the Schools program. Additional facilities are needed to meet this growth, especially near urban and suburban areas where there are fewer opportunities.

Water Access Sites, Boater Waysides, and Harbors:
Water access sites and harbors provide access to public waters for fishing, boating, bird watching, hunting, and other recreational opportunities. Sites can serve as demonstration sites to educate the public on best management practices for shorelines. This request would support development of priority sites on large lakes and lakes where the access is inadequate or where no access exists, such as Lake of the Woods, Lower Mississippi, Lake Waconia, Mille Lacs, Lake Bemidji, Lake Vermillion, Leech Lake, and Lake Superior. State funds are used to match federal funds for small craft harbors, and mooring facilities for touring boaters. State investment in water access

program generates approximately $2.2 million annually in federal funds under the federal Wallop-Breaux Act.

Group Camps and Centers:
This request would provide funding for the development of new or improved group camps and group centers in up to 10 state parks around the state. Some of these group centers will be full-service with sanitation buildings and cooking facilities, others may focus on RV clusters or camper cabin groupings. The department's existing group centers are often at full capacity throughout the season. Additional group centers can serve as an introduction to state parks for a wider audience of potential park visitors than other park facilities.

Fishing Piers and Shore Fishing Sites:
Fishing piers provide access for all to enjoy Minnesota's waters. Fishing piers can serve as a gateway to other fishing and boating experiences. 20 percent of the current 305 fishing piers and 35 shore fishing sites are due for replacement or major rehabilitation. There is currently a backlog of over 70 requests for new fishing piers. This request would allow for development or replacement of 50 piers or shore fishing sites in cooperation with local partners or on state lands.

Nature-based play areas:
Play areas using natural materials and nature themes to encourage curiosity about the natural environment. Two areas would be developed with this appropriation.

Preliminary Design:
Up to ten percent of this request will be reserved for preliminary surveying and design of projects anticipated for the 2012 capital budget request. This will allow for quicker project startup in future capital budget appropriations.

Impact on Agency Operating Budgets (Facilities Notes)
Developing additional facilities and miles of trail will increase operation and maintenance costs.

Previous Appropriations for this Project
Previous appropriations partially related to this project (these appropriations also apply to other DNR capital budget requests, such as the Outdoor Recreation Facilities Rehabilitation and Renewal request and the State Park and State Trail System Acquisition request):

Trail Acquisition, Rehabilitation/Development. (Includes Legacy appropriation for Parks & Trails Development.)

L2009, Ch. 172	Legacy	$12,641,000 – 2010
		15,140,000 – 2011
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

State Park Building and Infrastructure Rehabilitation/Development (Includes Legacy appropriation for Parks & Trails Development.)

L2009, Ch. 172	Legacy	$12,641,000 – 2010
		15,140,000 – 2011
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

Lake Superior Safe Harbors

L2006, Ch. 258	Bond	3,000,000
L2005, Ch. 20	Bond	2,000,000

Other Considerations
Key measures and outcomes:
Expand outdoor recreation opportunities for Minnesotans by developing:

- 40 new camper cabins;

- 20 miles of state trail;
- One trail bridge;
- Five to Seven archery ranges;
- Three to Five water access sites and a small craft harbor;
- Ten group camps and group centers; and
- 50 fishing piers and shore fishing sites.

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Governor's Recommendations

The Governor does not recommend capital funds for this request.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	2,100	2,100	2,100	6,300
4. Project Management	0	200	200	200	600
5. Construction Costs	0	14,700	14,700	14,700	44,100
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**	**17,000**	**17,000**	**17,000**	**51,000**

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	17,000	17,000	17,000	51,000
State Funds Subtotal	0	17,000	17,000	17,000	51,000
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**	**17,000**	**17,000**	**17,000**	**51,000**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	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	17,000	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)
No	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)
No	MS 16A.642: Project Cancellation in 2015

2010 STATE APPROPRIATION REQUEST: $5,000,000

AGENCY PROJECT PRIORITY: 3 of 26

PROJECT LOCATION: State

Project At A Glance

- $5 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 is for $5 million in state bond funds to provide competitive grants to local governments for acquisition and development of local and regional parks and trails across the state. This program 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 provide close-to-home opportunities for natural resource based recreation, preserve natural areas, and support healthy, vital communities. M.S. 85.019 establishes a local recreation grants program that provides grants to local units of government for acquisition and improvement of parks, outdoor recreation areas and facilities, natural and scenic areas, trails of regional significance, and trail connections.

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

The Natural and Scenic Area Grant Program helps local governments acquire natural landscapes and plant or animal communities, as well as scenic areas, such as bluff tops, shorelands, geological formations, scenic vistas, and other areas.

The Local Trail Connections Grant Program provides matching grants to local units of government for development and acquisition of trail connections to residential areas, schools, workplaces, community centers, recreation areas, trails and parks. For example, many projects provide funding for trails that connect schools and workplaces to residential areas.

The Regional Trail Grant Program provides matching grants to local units of government for development and acquisition of regional trails outside of the metropolitan area. These grants help support local initiatives to develop trails of a statewide or regional significance.

Impact on Agency Operating Budgets (Facilities Notes)

No impact on agency operating budget is expected.

Previous Appropriations for this Project

Park Grants:

L2009, Ch. 172	Legacy	$3,970,000 - 2010
L2009, Ch. 172	Legacy	4,900,000 - 2011
L2009, Ch. 143	Environmental Trust	1,000,000
L2008, Ch. 367	Environmental Trust	1,000,000
L2006, Ch. 258	Bond	2,000,000
L2006, Ch. 243	Environmental Trust	1,000,000

Trail Connection Grants:

L2009	Lottery In Lieu	$412,000(est.)
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:

L2009	Lottery In Lieu	$243,000(est.)
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

Other Considerations

Key measures and outcomes:

- Provide grants to local communities to acquire or develop approximately 200 acres for local and regional parks.
- Provide funding for 20 to 25 local and regional trail projects.

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Governor's Recommendations

The Governor does not recommend capital funds for this project.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	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	5,000	5,000	5,000	5,000	20,000
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	**5,000**	**5,000**	**5,000**	**5,000**	**20,000**

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	5,000	5,000	5,000	5,000	20,000
State Funds Subtotal	5,000	5,000	5,000	5,000	20,000
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	**5,000**	**5,000**	**5,000**	**5,000**	**20,000**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	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
Yes	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 2015

2010 STATE APPROPRIATION REQUEST: $40,000,000

AGENCY PROJECT PRIORITY: 3 of 26

PROJECT LOCATION: State

Project At A Glance

- $40 million to rehabilitate, renew, and replace buildings, bridges, trails, and other recreational facilities in state parks and recreation areas, state trails, state forests, small-craft harbors, and state water access sites.

Project Description

This request for $40 million in state bond funds is for the rehabilitation and renewal of recreational facilities in state parks, state recreation areas, along state trails, in state forests, small-craft harbors, and at state water access sites throughout Minnesota. This effort 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 enhancing user accessibility, increasing energy efficiency in operations, and ensuring public safety within a high-quality state park, state trail, and water access system. Connecting people to Minnesota's great outdoors has been identified by the department as a strategic direction critical to addressing the key trends related to changes in outdoor recreation participation.

Typical projects that would be funded by this request include bridge replacements, trail resurfacing, water and sewer upgrades, campground improvements, water access site improvements, erosion control projects, accessible trails and sites in park and forest day use areas, park road rehabilitation, and building rehabilitation, renewal, and energy improvements. In selected cases, new facilities may be constructed if it would result in lower costs, better access, greater energy efficiency, or a safer environment. Project priority lists will be made available.

Impact on Agency Operating Budgets (Facilities Notes)

In most cases, rehab and renewal projects have a positive benefit to existing operating budgets through reduced energy costs and reduction in necessary daily maintenance. In some cases, new systems such as water and sewer replacements may require additional training and operator expenses.

Previous Appropriations for this Project

Previous appropriations partially related to this project (these appropriations also apply to other DNR capital budget requests, such as the Gateway to the Outdoors request and the State Park and State Trail System Acquisition request):

Trail Acquisition, Rehabilitation and Development.

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

State Park Building and Infrastructure Rehabilitation/Development (Includes Legacy appropriation for Parks & Trails Development.)

L2009, Ch. 172	Legacy	$12,641,000 – 2010
		15,140,000 – 2011
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

Other Considerations

Key measures and outcomes:
A healthy, safe and reliable system of state parks, state trails, state recreation areas, and state water accesses provides high-quality recreational opportunities, meets increasing recreational demands, and attracts new users to the system, by providing safe, accessible, energy-efficient recreational facilities through projects at over 70 sites.

- Maximize state park visitor satisfaction through targeted improvements at state parks, and other recreational facilities
- Recruit a new generation of outdoor recreation enthusiasts, while meeting the needs and expectations of current park users; and
- Increase the efficiency and sustainability of recreational facilities.

Project Contact Person

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Governor's Recommendations

The Governor does not recommend capital funds for this project.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	2,100	2,100	2,100	6,300
4. Project Management	0	500	500	500	1,500
5. Construction Costs	0	37,400	37,400	37,400	112,200
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**	**40,000**	**40,000**	**40,000**	**120,000**

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	40,000	40,000	40,000	120,000
State Funds Subtotal	0	40,000	40,000	40,000	120,000
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**	**40,000**	**40,000**	**40,000**	**120,000**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	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	40,000	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)
No	MS 16A.642: Project Cancellation in 2015

2010 STATE APPROPRIATION REQUEST: $10,000,000

AGENCY PROJECT PRIORITY: 3 of 26

PROJECT LOCATION: State

Project At A Glance

- $10 million to acquire land from willing sellers for the purposes of state parks, state recreation areas, water recreation sites, and state trails.

Project Description

This request is for $10 million in state bond funds to acquire land from willing sellers for the purposes of state parks, state recreation areas, and state trails. 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 providing safe, high-quality recreation opportunities through state parks, state recreation areas, state trails, and water access sites, ensuring public access to these resources, and enhancing habitat. 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.

Acquisitions for these programs will support:

- recreational trail connections between communities and other public recreational facilities;
- reducing private inholdings within state park boundaries;
- diverse, locally significant natural plant communities and natural wildlife corridors between diverse habitats;
- riparian buffers along wetlands, creeks, and lakes;
- reduce impacts of development on existing infrastructure;
- provide public access to priority sites on large lakes and where there is inadequate boating access;
- provide boater waysides to serve the boating public; and
- continue to develop a system of Lake Superior small-craft harbors and mooring facilities for touring boaters to enhance boating safety, promote boater tourism, and support economic development.

Impact on Agency Operating Budgets (Facilities Notes)
No impacts to existing operating budgets are expected prior to development of the associated recreation facilities.

Previous Appropriations for this Project
Previous appropriations partially related to this project (these appropriations also apply to other DNR capital budget requests, such as the Outdoor Recreation Facilities Rehabilitation and Renewal request and the Gateway to the Outdoors request):

Trail Acquisition, Rehabilitation and Development

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

State Park and Recreation Area Acquisition

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

Lake Superior Safe Harbors

L2006, Ch. 258	Bond	$3,000,000
L2005, Ch. 20	Bond	2,000,000

Other Considerations

Key measures and outcomes:

- Acquire approximately 500 acres of land within State Parks from willing sellers.
- Acquire six miles of trail corridor from willing sellers on previously authorized State Trails.
- Acquire three to five public water sites from willing sellers on priority lakes.

Project Contact Person

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Governor's Recommendations

The Governor recommends general obligation bonding of $3.0 million for state parks acquisition and development, $2.0 million for state trail acquisition and $1.0 million for water access development, for a total of $6.0 million for this project. Also included are budget planning estimates of $6.0 million in each of 2012 and 2014.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
1. Property Acquisition	0	9,200	9,200	9,200	27,600
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	800	800	800	2,400
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**	**10,000**	**10,000**	**10,000**	**30,000**

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	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 2010-11	FY 2012-13	FY 2014-15	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)
No	MS 16A.642: Project Cancellation in 2015

2010 STATE APPROPRIATION REQUEST: $3,000,000

AGENCY PROJECT PRIORITY: 3 of 26

PROJECT LOCATION: State

Project At A Glance

- $3 million to improve 2,300 acres of prairie, forest, and wetlands in state parks, state recreation areas, and along state trails.

Project Description

This request is for $3 million in state bond funds to improve natural areas within Minnesota's state parks and state trails. The types of natural area improvements for this project are transformational such as changing old field areas into prairie. This program 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 healthy, high-quality natural resources can continue to support first-rate outdoor recreation opportunities within the state. 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 maintaining a healthy natural resource foundation.

M.S. 86A.05, Subd. 2(c) directs state parks to preserve, perpetuate, and interpret natural features present in state parks prior to settlement by people of European descent, and to reestablish desirable plant and animal species within state parks. More than 90 endangered, threatened or special concern species within Minnesota are found in state parks. DNR's long-term goal is to reconstruct approximately 16,800 acres of prairie and 20,000 acres of forest within the state park system. This request project will allow the department to more than double existing reconstruction efforts annually.

Impact on Agency Operating Budgets (Facilities Notes)

These funds allow us to accelerate our efforts in order to better preserve and perpetuate these natural communities.

Previous Appropriations for this Project

Previous appropriations partially related to this project (these appropriations also apply to other DNR capital budget requests, such as the Outdoor Recreation Facilities Rehabilitation and Renewal request and the State Park and State Trail System Acquisition request):

L2009, Ch. 172	Legacy	$12,641,000 – 2010
		15,140,000 – 2011
L2008, Ch. 179	Bond	545,000
L2004, Ch. 20	Bond	200,000
L2002, Ch. 393	Bond	960,000

State Parks Working Capital Fund – annual appropriation of approximately $250,000

Other Considerations

Key measures and outcomes:

- Improve 2,300 acres of prairie, forest and wetlands within state parks and state trails.

Project Contact Person

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Governor's Recommendations

The Governor does not recommend capital funds for this project.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	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	28	150	256	256	690
5. Construction Costs	517	2,850	4,864	4,864	13,095
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	**545**	**3,000**	**5,120**	**5,120**	**13,785**

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	545	3,000	5,120	5,120	13,785
State Funds Subtotal	545	3,000	5,120	5,120	13,785
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	**545**	**3,000**	**5,120**	**5,120**	**13,785**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	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)
No	MS 16A.642: Project Cancellation in 2015

2010 STATE APPROPRIATION REQUEST: $20,000,000

AGENCY PROJECT PRIORITY: 4 of 26

PROJECT LOCATION: State

Project At A Glance

- Increase sustainability and reduce energy use at DNR buildings
- Demonstrate renewable energy opportunities and technologies to the public
- Help drive market transformation

Project Description

This request is for $20 million in state bond funds to increase the energy efficiency of the Department of Natural Resources' (DNR) buildings through weatherization of its existing buildings and decrease its reliance on fossil fuel-based utility services through the installation of renewable energy systems including solar electrical, solar thermal, wind generation, and geothermal. DNR will also provide for the demonstration and interpretation of these efforts to the public.

This project supports the DNR's conservation mission of protecting natural resources, providing outdoor recreation opportunities to the public, and maintaining the health and economic vitality of Minnesota's communities. Reducing DNR's environmental footprint through increased energy efficiency and use of conservation-based energy sources has been identified by the department as two strategic directions critical to addressing the key trend of changes related to energy and climate.

Funds from this request will support DNR efforts to mitigate climate change by reducing the department's dependency on fossil fuel consumption in its buildings. DNR is using cutting-edge technology to locate, orient, and design its new buildings in a way that will maximize winter sunlight and summer shading, and take advantage of site-specific wind or solar energy opportunities. This request also supports the production of conservation-based energy sources and energy efficiency by looking to increase the DNR's use of woody biomass, and recommissioning its buildings based on recommendations from energy audits.

Impact on Agency Operating Budgets (Facilities Notes)

The reduction in energy use through increased energy efficiency and use of renewable energy sources will result in reduced operating costs.

Previous Appropriations for this Project

The Minnesota Legislature supported spending a portion of the Parks and Trails Fund on energy efficiency improvements and renewable energy, although specific appropriations were not made.

Other Considerations

In 2007, Minnesota passed legislation requiring the state to reduce statewide greenhouse gas emissions from 2005 base levels 15 percent by 2015, 25 percent by 2025, and 80 percent by 2050. DNR is beginning to address these goals with the construction of a net-zero building at Camden State Park, which has a geothermal system and a wind turbine. Additional funding is required to make such installations standard on all new buildings.

An emphasis will be placed on renewable energy installations that provide opportunities for significant public education and outreach. Where appropriate, installation projects will provide for public demonstrations and information kiosks will provide information regarding the energy, economic, and environmental benefits of the installations.

Key measures and outcomes:

- DNR leads the way in making energy efficiency and renewable energy strategies a basic component of everyday life; and
- DNR demonstrates in a highly public manner a variety of ways to use renewable energy sources.

Project Contact Person

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Governor's Recommendations

The Governor does not recommend capital funds for this project.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	2,600	2,600	2,600	7,800
4. Project Management	0	1,500	1,500	1,500	4,500
5. Construction Costs	0	15,500	15,500	15,500	46,500
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	400	400	400	1,200
9. Inflation	0	0	0	0	0
TOTAL	**0**	**20,000**	**20,000**	**20,000**	**60,000**

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	20,000	20,000	20,000	60,000
State Funds Subtotal	0	20,000	20,000	20,000	60,000
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**	**20,000**	**20,000**	**20,000**	**60,000**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	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	20,000	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)
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)
No	MS 16A.642: Project Cancellation in 2015

2010 STATE APPROPRIATION REQUEST: $5,500,000

AGENCY PROJECT PRIORITY: 4 of 26

PROJECT LOCATION: State

Project At A Glance

- Facility housing DNR, PCA, DOLI and BWSR
- Providing strategic environmental leadership in holistic manner
- Showcasing urban sustainable strategies
- Collaboration of the environmental agencies living their mission

Project Description

This request for $5.5 million in state bond funds is for the Department of Natural Resources (DNR), the Pollution Control Agency (PCA), Department of Labor & Industry (DOLI), and the Board of Water and Soil Resources (BWSR).

The statewide and taxpayer benefits of the new "Environmental Campus" will be to:

- Demonstrate environmental leadership to move the state toward compliance with the Next Generation Energy Act, which requires the state to reduce its greenhouse gas emissions 15 percent by 2015, 30 percent by 2025, and 80 percent by 2050.
- Provide citizen and business awareness and education by showcasing an urban energy efficient and environmentally friendly facility.
- Maximize and showcase Minnesota materials, products, and 'green' construction practices.
- Reduce operational costs through multi-agency co-location and sharing of resources along with long-term ownership. (During the predesign phase, a multi-agency strategic plan will be developed to realize an enterprise level of co-location for sharing of space and operations among the agencies.)

All of the agencies are currently located in leased space. Not only does this keep the state from realizing the long-term cost savings associated with building ownership, it also leaves the agencies with little or no opportunity to pursue renewable energy saving strategies, showcase Minnesota products and materials, and leading edge "green building" practices, or demonstrate a leadership role in urban sustainable land management designed to mitigate climate change. Minnesota Sustainable Building Guidelines (B3) and LEED certification will maximize energy savings. Planting a sustainable landscape and managing storm water will also showcase good site management and carbon sequestration.

This project supports the environment and conservation related missions of DNR, PCA, DOLI, and BWSR; and will help these four agencies 'model the way' in reducing their environmental footprint through increased energy efficiency, energy conservation, and pollution prevention.

This request is for funds for both pre-design and design for a state-owned facility. The pre-design will determine the project scope, cost and schedule, and key strategic elements for enterprise sharing of space and operations. Proceeding right into design in the biennium will reduce the FY 2012 capital budget request for construction funding by $6 - $8 million and move the mid-point of construction up by a year.

Opportunities for cohesive environmental leadership, demonstration of sustainable practices in design and construction, "one-step" service for citizens with environmental issues or permitting needs, and the significant long-term cost savings of ownership combine to make this project extremely viable and pertinent for today and the future.

The environmental agencies have a long-standing practice of partnership. Co-locating will facilitate the agencies' move to a new level of strategic environmental leadership, demonstrating commitment to conservation of the state's natural resources. The four agencies also have common customers, such as local governmental units, private landowners, industry, and various environmental groups. In addition to the agency partnerships, this project will partner with the design and construction industry on sustainable design and construction practices. 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.

A "green" environmental campus will provide a multi-dimensional demonstration of sustainable development practices that goes beyond providing citizen customers with answers and information for today by educating and motivating them to move to the next level of environmental stewardship. Sustainable opportunities include green roofs, renewable energy sources, water management on site, and conservation within the building.

Impact on Agency Operating Budgets (Facilities Notes)

It is anticipated that the impact on agency budgets will be a reduction in costs over time due to:

- Cost savings of ownership;
- Reduced heating, lighting, and cooling costs;
- Reduced sewer access charges; and
- Reduced site maintenance costs.

It is also anticipated that, in keeping with national studies, the high quality of the indoor air and lighting will decrease employee absenteeism and increase employee productivity and reduce turnover.

If this facility is constructed, the cost of the pre-design and design would be collected through the established rent process with bond interest collected over 20 years and depreciation over 75 years.

Previous Appropriations for this Project

There have not been any 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 both planned and serendipitous synergies.

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

- This proposal is in keeping with the vision, principles, and recommendations of the *Strategic Plan for Locating State Agencies*, particularly:
- When practical, increase the amount of state-owned space to control long-term costs and to acquire equity in the buildings that the state occupies;
- Locate agencies in close proximity to each other which might benefit from sharing resources, equipment, and space;
- Design facilities with the flexibility to respond to rapid technological advances; and
- Take a leadership role in environmental concern.

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Governor's Recommendations

The Governor does not recommend capital funds for this project.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
1. Property Acquisition	0	0	10,000	0	10,000
2. Predesign Fees	0	2,000	0	0	2,000
3. Design Fees	0	3,500	5,400	0	8,900
4. Project Management	0	0	3,902	0	3,902
5. Construction Costs	0	0	108,765	0	108,765
6. One Percent for Art	0	0	100	0	100
7. Relocation Expenses	0	0	7,828	0	7,828
8. Occupancy	0	0	14,565	0	14,565
9. Inflation	0	0	35,255	0	35,255
TOTAL	**0**	**5,500**	**185,815**	**0**	**191,315**

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	5,500	150,560	0	156,060
State Funds Subtotal	0	5,500	150,560	0	156,060
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**	**5,500**	**150,560**	**0**	**156,060**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	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	5,500	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)
Yes	Matching Funds Required (as per agency request)
No	MS 16A.642: Project Cancellation in 2015

2010 STATE APPROPRIATION REQUEST: $20,000,000

AGENCY PROJECT PRIORITY: 4 of 26

PROJECT LOCATION: State

Project At A Glance

- Strategic facility consolidation to achieve a ten percent savings in annual operating costs
- Enhance existing DNR anchor sites to facilitate consolidation options
- Develop new anchor sites that position DNR for the future

Project Description

This request for $20 million in state bond 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 no more;
- Construct and operate facilities to have the smallest environmental footprint possible; and
- Design facilities to enhance and support employee productivity.

This project supports DNR's conservation mission of protecting natural resources, providing outdoor recreation opportunities to the public, and maintaining the health and economic vitality of Minnesota's communities. Specifically, funds from this request will be used to make facility changes necessary to move the department toward a smaller, more cost effective, energy efficient and strategically located facility portfolio.

In the short term, DNR is seeking to reduce the overall annual operating cost for its facilities by ten percent. Strategies include building demolition, site closure and divestiture, site consolidation, the sharing of facilities with public partners, and reducing operational costs.

In the long term, DNR is working to more strategically position its facilities within the state to meet a changing landscape. As noted in the department's *2009–2013 Strategic Conservation Agenda*, rapid changes related to population growth, development, climate change, and shifts in outdoor recreation patterns are requiring DNR to position itself for the future, including how the department serves the public and where it locates its facilities to provide key services.

DNR owns and actively maintains approximately 2,700 buildings, encompassing 2.9 million square feet of floor space at over 200 locations statewide, and with a replacement value of about $365 million. Historically, the correlation between facility investment decisions and DNR mission has been very loosely managed at the agency level. Facilities were often sited to meet the needs of a single division with little regard to opportunities for sharing of space; DNR also has facilities that were located to meet needs of 100 years ago that may not be relevant today.

DNR has a strategic management plan for facilities with the development of its Facilities Master Plan, which serves as a road map to guide facility use and investments over a multi-year period. The plan identified key sites for consolidated office locations. These offices, coupled with the 120 DNR sites that are state parks, statutorily designated sites, and resource-anchored sites such as hatcheries, form the basis for future facility investment. Funding this request will initiate implementation of the plan.

Impact on Agency Operating Budgets (Facilities Notes)

DNR anticipates reducing its facility operating costs by ten percent in the near term, with additional reductions over time.

Previous Appropriations for this Project

There have been no other appropriations received for this project.

Other Considerations

Key measures and outcomes:
DNR will meet its mission, position itself for the future, and better target the delivery of services to the public across the state. By reducing sites, demolishing selected buildings, partnering with local units of government, and redefining work areas, DNR will reduce its annual operating costs for facilities by ten percent through facility consolidation.

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Governor's Recommendations

The Governor recommends general obligation bonding of $2.5 million for this project. Also included are budget planning estimates of $2.5 million in each of 2012 and 2014.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	2,200	2,200	2,200	6,600
4. Project Management	0	1,250	1,250	1,250	3,750
5. Construction Costs	0	14,950	14,950	14,950	44,850
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	1,600	1,600	1,600	4,800
9. Inflation	0	0	0	0	0
TOTAL	**0**	**20,000**	**20,000**	**20,000**	**60,000**

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	20,000	20,000	20,000	60,000
State Funds Subtotal	0	20,000	20,000	20,000	60,000
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**	**20,000**	**20,000**	**20,000**	**60,000**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	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	20,000	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
Yes	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
No	MS 16A.642: Project Cancellation in 2015

2010 STATE APPROPRIATION REQUEST: $23,000,000

AGENCY PROJECT PRIORITY: 4 of 26

PROJECT LOCATION: State

Project At A Glance

- Addresses a wide range of facility and recreational infrastructure renewal needs
- Initiates repair and maintenance projects that focus on safety, code, access, building integrity issues, and site and energy efficiency upgrades

Project Description

This request for $23 million in state bond funds is to assist in preserving the state's existing infrastructure by repairing, replacing, and upgrading Department of Natural Resources' (DNR's) facility and site assets located throughout the state. This is consistent with the Natural Resources Asset Preservation and Replacement Account (NRAPR), as established in M.S. 84.946 during the 2009 legislative session. This project supports DNR's 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 continuing to support the important services the department provides to the public.

DNR owns and actively maintains approximately 2,700 buildings, 73 State Parks and Recreation Areas with over 6,600 campsites, 9,000+ miles of land and water trails for summer and winter recreation, more than 500 bridges, and miles of roads. These facilities are located in multiple areas in every Minnesota County, and provide opportunities for rich outdoor natural resource experiences of all kinds.

The estimated cost of DNR building and recreational renewal needs for the next year is more than $50 million. Funding this request will allow DNR to meet its highest priority renewal and replacement projects in the areas of roofing, plumbing and heating, energy efficiency improvements, septic and sewer systems, waterlines, wells and water treatment systems, campgrounds, bridges, and state trails.

Impact on Agency Operating Budgets (Facilities Notes)

Funding this request will help the DNR to address facility and recreational infrastructure renewal needs, take advantage of projects that will reduce energy, and lower DNR's carbon footprint. Adequate funding for maintenance and repair needs will result in lower future obligations for more costly repair and replacement. Not maintaining facilities 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, as well as diminishes the value of the outdoor and recreational experience. If this proposal is not funded, important renewal projects will be left undone.

Previous Appropriations for this Project

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
L1998, Ch. 404	Bond	2,200,000

Other Considerations

Key measures and outcomes:

- Statewide asset preservation protects the state's investment in public facilities, maintains the safety of these facilities, and provides for productive work places.
- Designing and constructing projects at multiple locations across the state to improve services to the public, reduce risk of injury and illness, improve indoor air quality, enhance accessibility, maintain asset value and utility, and reduce operating costs.
- With its many locations, DNR is in the position of providing jobs in all areas of the state, many of which are in out-state locations. Based on

Minnesota's Department of Labor and Industry prevailing wage rates, it is anticipated that full funding of this request will result in over 300,000 hours of construction work, which is equivalent to approximately 295 full-time jobs for one year. In addition, there will be jobs in the manufacturing and supply arena as well.

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Governor's Recommendations

The Governor recommends general obligation bonding of $7.5 million for this project. Also included are budget planning estimates of $7.5 million in each of 2012 and 2014.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	501	1,337	1,337	600	3,775
4. Project Management	237	450	450	300	1,437
5. Construction Costs	7,731	21,082	21,082	10,969	60,864
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	131	131	131	131	524
9. Inflation	0	0	0	0	0
TOTAL	**8,600**	**23,000**	**23,000**	**12,000**	**66,600**

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	8,600	23,000	23,000	12,000	66,600
State Funds Subtotal	8,600	23,000	23,000	12,000	66,600
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	**8,600**	**23,000**	**23,000**	**12,000**	**66,600**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	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	23,000	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)
No	MS 16A.642: Project Cancellation in 2015

2010 STATE APPROPRIATION REQUEST: $2,000,000

AGENCY PROJECT PRIORITY: 4 of 26

PROJECT LOCATION: State

Project At A Glance

- Repair, replace, and construct bridges, decks, road surfaces, and culverts within the state forest road system.

Project Description

This request is for $2 million to assist in preserving the state's existing infrastructure by replacing water-crossing structures and upgrading forest roads within the state forest system. This project 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 providing important access to state forests maintained for recreational use, resource management, and forest product transport through the repair, replacement, and construction of roads and bridges in the state forest system.

DNR maintains a system of more than 2,000 miles of roads and bridges that provides access to 4.9 million acres of state forest lands. The existing system of forest roads and bridges is a capital asset worth more than $75 million, providing access to forest lands by the forest products industry, recreational users, land managers, and local landowners, and providing a strategic link between the state's forest resources and the network of county, state, and federal public roads.

The Governor's Task Force on the Competitiveness of Minnesota's Primary Forest Products Industry (July 2007) found the transportation infrastructure on state forest lands to be critical to the competitiveness of the forest products industry. This system of forest roads and bridges provides access to carry out management activities in state forests necessary to maintain healthy, productive, and sustainable forests. Maintaining this infrastructure is also critical to ensuring safe, public access to state forest lands. Increasing recreational use of forest roads and bridges (representing more than 80 percent of total traffic on the system), paired with proposed increases in road weight limits, are placing greater strain on an already aging infrastructure.

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.

Engineering studies recommend replacing or upgrading targeted forest 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 the state forest road system.

Impact on Agency Operating Budgets (Facilities Notes)

DNR currently receives approximately $350,000 each year in dedicated state gas tax dollars used for maintenance of forest roads and bridges. However, at least $1.2 million is needed annually to address maintenance needs. This amount does not include bridge replacements or repairs, road reconstruction projects, and major resurfacing needs. Past bonding funds have provided about 20 percent of construction, reconstruction, and water-crossing structure replacement needs.

Previous Appropriations for this Project

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

Key measures and outcomes:

- Important access to state forests maintained for recreational use, resource management, and forest product transport through the rehabilitation repair, and replacement of bridges in the state forest road system.

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Governor's Recommendations

The Governor recommends general obligation bonding of $2.0 million for this project. Also included are budget planning estimates of $2.0 million in each of 2012 and 2014.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	70	15	15	15	115
4. Project Management	2,200	325	325	325	3,175
5. Construction Costs	10,400	1,660	1,660	1,660	15,380
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	**12,670**	**2,000**	**2,000**	**2,000**	**18,670**

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	4,070	2,000	2,000	2,000	10,070
Forest Management Investment	6,200	0	0	0	6,200
Misc Special Revenue	2,400	0	0	0	2,400
State Funds Subtotal	12,670	2,000	2,000	2,000	18,670
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	**12,670**	**2,000**	**2,000**	**2,000**	**18,670**

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	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	2,000	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)
No	MS 16A.642: Project Cancellation in 2015