

Natural Resources Asset Preservation

AT A GLANCE

2020 Request Amount: \$137,000

Priority Ranking: 1

Project Summary: \$137 million in state funds is requested for the repair and renovation of the Department of Natural Resources (DNR) capital assets (including buildings, roads, trails, water accesses, bridges, recreational facilities and more) to assure they are safe and functional for the recreating public, support the conservation of Minnesota’s natural resources, and preserve the state’s investment in its capital assets.

Project Description

This \$137 million request is to fund Natural Resources Asset Preservation and Replacement needs under M. S. 84.946. DNR manages a broad array of building and recreational assets that serve and benefit people across Minnesota. This includes 2,852 buildings at over 225 locations, 75 state parks and recreation areas, 9 waysides, 43 forest campgrounds, 3,300 miles of roads, 675 miles of surfaced state trail, over 1,000 bridges and culverts, 1,700 water access sites, over 1,000 water control structures and dams, 15 hatcheries, 2 nurseries, 368 fishing piers, and thousands of miles of hiking trails. All of these require periodic renewal.

The value of DNR buildings and recreational assets is about \$3 billion. To keep everything in a safe and usable condition requires significant and ongoing repair, renovation, and renewal.

- Buildings: \$64 million for renewal of existing buildings, particularly to bring crisis or poor building components up to acceptable or better condition. Special focus will be paid to safety, accessibility, code compliance, roof replacements, replacement of inefficient mechanical systems, and providing renewable energy. Projects include completing the repair of the Soudan mine hoist shaft.
- Water and Wastewater Systems: \$10 million to address aging water and wastewater systems statewide, including at Itasca, Whitewater, Myre-Big Island, and Scenic State Parks. Top priority projects involve fixing systems that do not fully meet current health and environmental standards.
- Roads, Trails, and Bridges: \$38.5 million to provide critical renewal and replacement of roads, trails, culverts, and bridges on state land. These systems provide access to state forest lands, state parks, recreation areas, and wildlife management areas and include many bridges that are more than 100 years old.
- Public Water Access Sites and Lake Superior Small Craft Harbors: \$15.5 million to rehabilitate existing public water access sites and harbors to address safety issues and implement best management practices for shoreland management, aquatic invasive species (AIS) management, and accessibility components.
- Water Control Structures: \$3 million for water control structures that provide waterfowl habitat on key shallow lakes and wetlands. DNR manages hundreds of dikes, water control structures, and fish barriers across Minnesota. These structures are deteriorating and require repair or replacement to maintain existing investments in the state’s fish and wildlife resources.

- Monitoring Wells: \$1.1 million for rehabilitation of existing groundwater monitoring (observation) wells.
- Campsites, Group Camps, and Day Use Areas: \$3.8 million for major renovations to address deferred maintenance and meet the changing needs of the public. Priority sites include Nerstrand, Temperance River, and Maplewood State Parks.
- Hatcheries and Nurseries: \$1.1 million for critical repair and replacement of hatchery system components statewide.

Project Rationale

DNR managed parks, trails, and public land are enjoyed by visitors across the state. DNR’s assets have been neglected because of insufficient funding and the resulting deferred maintenance is significant and costly. The December 2018 facility condition assessment shows that of about 2,852 buildings, 215 are in crisis condition and 549 are in poor condition. Some bridges are weight restricted, trails are in very poor condition, and state natural resources are under-utilized because of inadequate accesses or water control structures. The needs are documented further in DNR’s 10-Year Capital Asset Need report, which was most recently updated in January 2019 (mndnr.gov/reports).

Project Timeline

Funds will be expended or encumbered by 2024, with the majority of spending in years two and three.

Other Considerations

The DNR has set aggressive goals for securing a more sustainable future that incorporate greater use of clean energy to reduce the state’s greenhouse gas emissions. DNR leads by example in adopting renewable energy installations, which have included Solar PV capable of annually generating 675 KW at 31 locations, energy-star equipment, and building construction designed to operate near the net-zero level.

Impact on Agency Operating Budgets

This will have a minimal impact on operating budgets.

Description of Previous Appropriations

L2019 Ch. 2 - Bond, Asset Preservation, \$3,419,000

L2018 Ch. 214 - Bond, Asset Preservation, \$26,581,000

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

Project Contact Person

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Governor's Recommendation

The Governor recommends \$70 million in general obligation bonds for this request. Also included are budget estimates of \$70 million for each planning period for 2022 and 2024.

Natural Resources

Project Detail

(\$ in thousands)

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PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2020	FY 2022	FY 2024
State Funds Requested				
General Obligation Bonds	\$ 45,000	\$ 137,000	\$ 137,000	\$ 137,000
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 45,000	\$ 137,000	\$ 137,000	\$ 137,000

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2020	FY 2022	FY 2024
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 6,750	\$ 20,550	\$ 20,550	\$ 20,550
Project Management	\$ 4,500	\$ 13,700	\$ 13,700	\$ 13,700
Construction	\$ 33,750	\$ 102,750	\$ 102,750	\$ 102,750
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 45,000	\$ 137,000	\$ 137,000	\$ 137,000

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2020	FY 2022	FY 2024
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 137,000	100 %
User Financing	\$ 0	0 %