

Natural and Scenic Area Grant Program

Program Manual



MN Department of Natural Resources

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I. Program Information

The Natural and Scenic Area program assists local governments and school districts in acquiring fee title acquisition and permanent easement acquisition of natural and scenic areas. Applications must be submitted by **March 31** to be eligible for funding assistance for the current year.

The Natural and Scenic Area Grant Program is intended to protect high quality natural and/or scenic areas. Additionally, public access should be provided to the extent necessary to allow users to experience the natural and scenic qualities protected. High levels of development or active use are not appropriate.

FUNDING

The program finances projects using state dollars authorized by the Minnesota State Legislature. Typically, the state dollars available are either state bond dollars or Environment and Natural Resources Trust Fund dollars recommended by the Legislative Citizens Commission on Minnesota Resources (LCCMR). In addition to state funds, federal funds may be available through the Land and Water Conservation Fund (LAWCON). The amount of grant dollars available for distribution each year varies. Applications are solicited in advance of the actual appropriation to ensure that projects are ready to start after the funding becomes available.

GRANT AWARDS AND MATCH REQUIREMENTS

Grant awards are typically for 50 percent of the total eligible project costs up to the maximum grant amount of \$500,000. Applicants must be able to fund at least 50% of the total project costs. The "local share" can consist of cash or the donation of a portion of the land value. Costs must be incurred and paid for before reimbursement can be made. Grant agreements generally expire within 24 months and projects must be completed by then.

ELIGIBLE APPLICANTS

Cities, counties, townships, and school districts.

Note: The applicant must be the intended owner and manager of the property to be acquired. Multi-organization collaboration is not required for this program.

ELIGIBLE PROJECTS:

- Fee title acquisition of natural or scenic areas.
- Permanent easement acquisition of natural or scenic areas

Minimal betterment activities are eligible as part of an acquisition project, and may include the following:

- Site Surveying, Boundary Signing
- Immediate measures needed to stabilize the site and ensure the safety of users

INELIGIBLE FACILITIES AND COSTS

Ineligible facilities or costs are those items that cannot be funded with a Natural and Scenic Area Grant or included as part of the local match requirement.

- Administrative Expenses
- Incidental cost of Land Acquisition (Appraisals and legal fees)
- Land already in public ownership
- Recreational Site development
- Operation and Maintenance

GUIDELINES FOR USE AND DEVELOPMENT OF NATURAL AND SCENIC AREAS

1. **COMPATIBLE USE AND DEVELOPMENT:** In general, outdoor recreation use of natural and scenic areas should be limited to passive outdoor recreation activities, such as nature observation, walking or hiking, bird watching, cross country skiing, snow shoeing, canoeing, photography and similar low impact activities. In some cases, environmental education activities may be appropriate. Limited facilities to support these activities, such as trails, overlooks, interpretive displays, benches, informational and boundary signing, protective fencing, and parking, are allowable uses. In some cases, rest room facilities and limited picnic facilities may also be compatible.

All development plans should be submitted for review and prior approval by the Local Grants Program staff of the Department of Natural Resources (DNR). Development proposals will be reviewed on a case-by-case basis, taking into account the specific characteristics of the natural and scenic area. Any development should be designed to avoid damage to natural resources and features, steer activities away from sensitive areas (such as steep bluffs, erosion prone shorelines, rare plant communities, etc.), and discourage inappropriate recreational use. Facilities must meet all safety and accessibility standards.

2. **INCOMPATIBLE USE AND DEVELOPMENT:** Natural and scenic areas should not be developed for more active outdoor recreational uses, such as athletic fields and courts, campgrounds, motorized sports, etc. Any use or development that could result in damage to significant natural and/or scenic resources must be avoided. In some cases, it may be necessary to prohibit access to certain portions of the property to avoid damage to highly sensitive or rare resources. Protective fencing may be used when appropriate. Natural and Scenic Areas sites may not be used for a wetland mitigation or banking area. The intent of this program is to expand and protect natural and scenic areas and not provide areas that can be used for replacement of natural areas lost through development.

II. The Application Process

To receive an application, complete and return an [Application Request Form](#). This can be completed online or you can submit by mail or e-mail. We urge applicants to submit the request form no later January 31st to ensure adequate time to complete your grant application. This will allow adequate time to meet certain application requirements, such as holding a public hearing, having the project reviewed for any needed permits, completion of an appraisal, etc.

After submitting the Application Request Form, the application forms will be sent to you. Completed applications must be postmarked by **March 31st**. This program is very competitive. Staff members are available to discuss your project or review application materials. You are encouraged to submit any draft application or materials by March 1st if you would like staff to provide comments.

APPRAISAL REQUIREMENTS

The application must include a self-contained appraisal report for land to be acquired. Appraisals must be performed by a qualified licensed appraiser and meet the Uniform Standards of Professional Appraisal Practice (USPAP). The appraisal must include the DNR as an intended user and the landowner or designated representative must be given an opportunity to accompany the appraiser during the inspection of the property. Appraisals must have an effective date within 13 months of the application deadline.

Appraisals will be reviewed by the state to ensure that they meet applicable standards. If the appraisal is not accepted, the applicant will be contacted for additional clarification or modification. If you or the appraiser has any questions, please contact the program staff assigned to your area prior to completing the appraisal assignment.

If the grant award includes federal funding from the Land & Water Conservation Fund, the recipient must provide an appraisal report conforming to the Uniform Appraisal Standards for Federal Land Acquisition (UASFLA). You might want to ask your appraiser if the USPAP report submitted with the application could be modified, if necessary, to conform to the UASFLA.

THE COMPETITIVE REVIEW AND SELECTION PROCESS

The program is competitive and requires a review and selection process to make funding determinations and awards. The review and selection process will take place after the application deadline, and funding announcements will be made in the summer/fall. Completed applications received later than the deadline will not be eligible for funding consideration during this cycle. Program staff will review applications and, if necessary, a site visit will be conducted. The review will focus on the natural and scenic qualities of the project site and surrounding land uses.

Review Components: The project review will assess the natural resource qualities of the site such as endangered, threatened, rare or special concern species or communities, high quality native terrestrial or aquatic ecosystems, ecological viability, outstanding geological or

physiographic features, protection of water quality and potential vulnerability to exotic species. Scenic qualities such as, blufflands or other elevated terrain that afford an opportunity for viewing scenic vistas, viewing unique natural features, viewing unique historical or cultural features, and shoreland properties that offer scenic vistas across lakes or streams will be accessed. Other review components include adjacent lands, educational and scientific values, open space and historical/cultural values and local government commitment.

AWARD OF FUNDS

Announcement of funding approvals will take place after the review and selection process is complete. All applicants will receive official written notification regarding their request for funding. If your proposed project has received preliminary approval for funding, you will be contacted regarding additional information requirements needed before an agreement can be processed. These requirements may include Minnesota Historical Society review, a deed restriction and other details.

If the Minnesota Historical Society (MHS) determines that there is a potential for the site to yield historical or archeological information, you will be contacted and provided instructions on hiring an archeological consultant to perform an on-site survey and to coordinates with the MHS to ensure the project will have no adverse effects on these resources. These surveys are to be funded by the applicant and must be completed before grant funds can be reimbursed.

Projects cannot begin until all final documentation has been submitted and a grant agreement has been completed. This process can take three months to complete. Most projects can expect to begin in the fall. Any project costs incurred prior to the start date of the grant agreement will not be eligible for reimbursement. Nor can they be considered as part of the required local match.

Payment of grant funds to the local sponsor is on a reimbursement basis. The grant recipient must initially expend monies that are then reimbursed under the terms of the grant agreement. Ten percent of the grant funds will be retained until a final inspection has been completed.

GRANTS AND PUBLIC INFORMATION

Under [MN Statute 13.599](#), responses to a request for proposal are nonpublic until the application deadline is reached. At that time, the name and address of the grantee, and the amount requested becomes public.

After the application evaluation process is completed, data (except trade secret data) becomes public. Data created during the evaluation process is nonpublic until the negotiation of the grant agreement with the selected grantee(s) is completed.

[MN Statute 13.44](#) categorizes estimated or appraised value of real property prior to purchase and sale as confidential data on individuals or protected nonpublic data. See also Minnesota Government Data Privacy Act for more information. This information, along with corresponding budget information, will be redacted from the applications before making them public.

III. Program Requirements

LAND RETENTION REQUIREMENT

- 1) **CONVERSION OF USE:** It is the intention of the State that the property acquired under an agreement shall exist in the Grantee's ownership and be maintained and managed consistent with the purpose and type of property to properly protect the natural and/or scenic resources in perpetuity. The Grantee shall not at any time convert any property acquired or developed pursuant to the agreement to uses other than the permitted uses specified in this agreement without the prior written approval of the State. The State will consider a conversion request only after the following pre-requisites have been met:
 1. All practical alternatives to the conversion have been evaluated and rejected on a sound basis.
 2. The Grantee has agreed to replace the converted lands with other lands of at least equal fair market value and reasonably equivalent natural and or scenic resources as determined by the State.

The State shall have the authority to approve or disapprove conversion requests.

- 2) **DEED RESTRICTION REQUIREMENT:** The Grantee will be required to record a condition with the deed of the property acquired and, if necessary, adjacent lands owned by the applicant. The condition is to ensure that the property will be managed permanently and maintained using appropriate management and protection practices to protect the natural and/or scenic resources and that the property will not be converted to any uses other than permitted in the grant agreement without the prior written approval of the State. The specific language for the condition will depend on the funding source provided and will be stated in the grant agreement.

The Site Boundary Map submitted with your application will delineate and establish the property boundaries subject to the grant agreement. Therefore, it is very important that any existing public facilities and any known future public facilities (e.g., wells, lift stations, roadway improvements, etc.) are clearly identified and excluded from the boundaries of the project. The site boundaries should include only the property that the project sponsor plans on managing for natural area conservation uses in perpetuity.

REPORTING REQUIREMENTS

It is the policy of the State of Minnesota to monitor progress on state grants by requiring grantees to submit written progress reports at least annually until all grant funds have been expended and all of the terms in the grant agreement have been met. A progress report form will be provided by program staff. Grant payments shall not be made on grants with past due progress reports unless program staff have given the grantee a written extension.

MONITORING REQUIREMENTS

It is the policy of the State of Minnesota to conduct at least one monitoring visit per grant period on all state grants of over \$50,000 and to conduct at least annual monitoring visits on grants of over \$250,000.

CLOSEOUT PROCEDURES

Upon completion of your project, a final billing must be submitted to our office no later than 30 days after the expiration date on your agreement. Program staff will complete a final inspection of the project. The inspection will focus on ensuring that the project was completed in accordance with the grant agreement, that facilities developed are accessible and a funding acknowledgment sign is installed. If any problems are revealed during the inspection, they will need to be corrected before you receive final reimbursement for your grant and the official closeout notification for your project.

All expenditures are subject to verification by an independent state audit and, therefore, you must retain all project records for a period of at least six years after you receive the official closeout notification letter.

Periodic post-completion inspections will be conducted to ensure that the site is being properly operated and maintained and that no conversion of use has occurred.

ACKNOWLEDGMENT SIGN

All projects acquired or developed with assistance from this program must display a state approved funding acknowledgment sign at the main entrance to the park. The grant program staff will provide the specific sign information.

AVAILABILITY TO USERS

Public property, facilities & programs that receive state assistance and future development of a site that has received state assistance shall be open to entry by all persons regardless of race, color, national origin, religion or sex. No person shall, on the basis of disability, be excluded from participation in any program or activity receiving state assistance. Finally, discrimination on the basis of residence, including preferential reservation, membership or annual permit systems is prohibited except to the extent that reasonable differences in admission and other fees may be maintained on the basis of residence. Fees charged to non-residents cannot exceed twice that charged to residents and must be comparable to fees charged at other state or local facilities.

IV. Contact Information

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