

## 2019 CAPITAL REQUEST

Governor Walz and Lt. Governor Flanagan recommend \$131 million for the 2019 Department of Natural Resources (DNR) capital budget. This capital budget funding will contribute to One Minnesota by targeting investments that maintain strong and safe infrastructure, promote community prosperity by supporting jobs across the state, connect people from all communities with the outdoors, and protect our natural resources throughout Minnesota.

### TAKING CARE OF WHAT WE HAVE

#### **Natural Resources Asset Preservation: \$71.5 million**

- The DNR's top priority is taking care of our \$3 billion of capital assets by preserving and, when needed, replacing existing facilities.
- The \$71.5 million includes funding for buildings, water and wastewater systems, energy improvement projects, roads and bridges, trails and trail bridges, water access sites, and water control structures.

#### **Betterment of Buildings: \$14 million**

- Funding is for significant improvements and renovations to buildings to ensure they are safe, ADA accessible, energy efficient, and strategically located.
- Priorities include the Hibbing drill core library, offices, state park shower buildings, fish hatcheries, and storage facilities.

#### **Acquisition and Betterment of Public Lands: \$20 million**

- Funds are to manage and conserve the natural resources and recreational opportunities of the state.
- Land betterment projects include reforestation of state lands, completing existing trail segments, prairie restoration, parking lot improvements, and rehabilitation of groundwater monitoring wells.
- Land acquisition projects include acquiring strategic in-holdings at State Parks and acquiring parcels to provide or improve access at State Forests and other outdoor recreation areas.

### PROTECTING PUBLIC SAFETY

#### **Fire Operation Airport Infrastructure: \$2 million**

- Airport infrastructure that can accommodate specialty firefighting aircraft is crucial to DNR's ability to detect and suppress wildland fires.
- \$2 million is needed to replace aircraft staging and access areas (ramps) at air tanker bases. The top priority is the Range Regional Airport in Hibbing, which is decaying and almost inoperable, threatening both aircraft and pilot safety.

#### **Dam Renovation, Repair, and Removal: \$2 million**

- Funding supports the design, engineering, reconstruction, or modification of publicly owned dams, which require ongoing investment to protect public safety and maintain water levels on recreational lakes.

### CONNECTING PEOPLE WITH THE OUTDOORS

#### **State Park and Recreation Area Accessibility: \$19.5 million**

- Funding enables the renovation of existing park facilities and related infrastructure as well as development of new accessible amenities so all Minnesotans can enjoy our parks.
- Top priorities are William O'Brien and Fort Snelling State Parks.

#### **Local Parks and Trails: \$2 million**

- Funds to provide competitive grants to local governments for acquisition and development of local and regional parks and trails across the state.

# Natural Resources Asset Preservation

## #1 NATURAL RESOURCES ASSET PRESERVATION IS DNR'S NUMBER ONE PRIORITY

**Our strategic goal: Restore and maintain all capital assets to average or better condition within 10 years.**

### NATURAL RESOURCES ASSET PRESERVATION (NRAP)

DNR operations support the state economy, preserve natural areas, and provide recreational opportunities for all Minnesotans. DNR parks, trails, and forests are enjoyed by visitors from across the state. Historically, NRAP funding has not been adequate to keep pace with our existing, deteriorating infrastructure.

Adequate and consistent funding for NRAP would enable the DNR to bring its buildings, recreational facilities, and other capital assets up to a safe and usable condition for the public and staff.

The current annual NRAP need is \$156 million, including \$45 million for deferred maintenance and \$111 million for renewal and replacement.

<b>\$71.5 million</b>	<b>Total NRAP Request</b>
\$32 million	Buildings
\$15 million	Water/Wastewater Systems
\$2 million	Renewable Energy Systems
\$10 million	Roads and Bridges
\$5 million	Trails and Trail Bridges
\$5 million	Water Access Sites
\$2.5 million	Water Control Structures

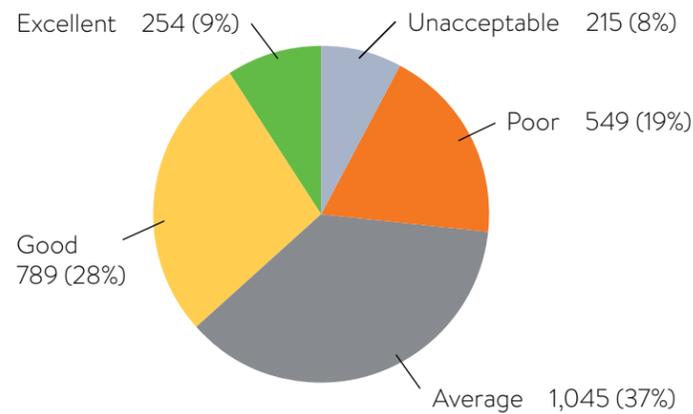
Natural Resources Asset Preservation and Replacement—M.S. 84.946, Subd. 2c: DNR has a separate statute for asset preservation that covers our unique assets, particularly the renovation of non-building, existing improvements (e.g., trails, roads, bridges, and water control structures).

### OUR BUILDING ASSESSMENT METHOD

Facility condition assessments for buildings are done on an ongoing basis and are continually changing as projects are completed and assets age. The Department of Administration uses the same system to assess building conditions. The components (roofs, structure, mechanical, electrical, etc.) of a building are evaluated and an overall rating for the buildings is obtained.

- DNR operates about 2,800 buildings:
- 1 in 4 buildings are in unacceptable or poor condition
  - Nearly 1 in 3 buildings are over 50 years old
  - Only 1 in 4 buildings meet today's design and building standards

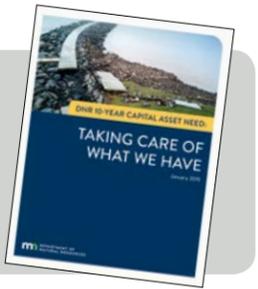
### DNR Buildings Facility Condition Index Ratings—as of 12/31/18



## TOTAL ASSET INVESTMENT NEED=\$13 MILLION NON-BONDING AND \$156 MILLION BONDING

Consistent investment is required to return facilities to average or better condition. Our total annual need is \$169 million, of which DNR funds \$13 million for preventative maintenance from our operations budget and other non-bonding sources. \$156 million in bonding is needed annually to cover deferred maintenance (\$45 million) and renewal and replacement (\$111 million).

Check out the 2019 10-Year Capital Asset Plan. Go to [mndnr.gov/reports](http://mndnr.gov/reports)



### Annual Need to Maintain DNR Assets—as of 12/31/18

	Preventative Maintenance	Deferred Maintenance	Renewal and Replacement	TOTAL
Description	Smaller projects, non-bondable projects, and basic building repairs.	Larger projects necessary to keep buildings and other assets in good condition during regular life-cycles, such as roof replacements and road resurfacing.  Total backlog: \$445 million	When an asset has reached the end of its life cycle, costs required to restore and modernize that asset for continued use.	Annual need to maintain DNR capital assets
Funding	Funded from operations budget and non-bonding sources	NRAP At \$45 million a year, deferred maintenance back log is eliminated in 10 years.	NRAP	
Buildings	\$4 million	\$15 million	\$11 million	\$30 million
Other Assets	\$9 million	\$30 million	\$100 million	\$139 million
<b>TOTAL</b>	<b>\$13 million</b>	<b>\$45 million</b>	<b>\$111 million</b>	<b>\$169 million</b>

■ Non-bonding Needs
 ■ Bonding Needs



Sibley Wildlife Office interior foundation and window.



Pier at Knife River Marina.



C.J. Ramstad North Shore State Trail and Bridge.

# DNR Capital Assets Overview

The DNR operates in every single county and serves Minnesotans where they live, work, and play. Camping, snowmobiling, trail riding, hunting, fishing, timber harvest, and minerals development all require the DNR to keep trails and bridges, state parks, water access sites, roads, buildings, and other assets maintained, safe, and accessible to all.

- DNR’s approximately 2,800 buildings include 300 report-to-work buildings and over 29,000 building components (roofs, foundations, electrical systems, etc.).
- DNR capital assets are valued at about \$3 billion (based on Current Replacement Value, not including land)
- Annual bonding need to preserve assets: \$156 million (does not include regular maintenance of \$13 million not funded with bonding)

## DNR CAPITAL ASSETS ARE ABUNDANT, UNIQUE, AND DIVERSE

4,500 fishing lakes		29,400 miles of trails (including grant-in-aid trails)		192,000 acres of scientific and natural areas
	2,800 buildings		1.3 million acres of wildlife management areas	19 fish hatcheries
350 trail bridges	3,300 miles of road	1,700 public water accesses		5,000 campsites
635 public dams	66 state parks		6,600 culverts	17.7 million acres of forests

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