

# NATURAL AND SCENIC AREA GRANT PROGRAM

## 2023 Program Manual



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## ***I. PROGRAM INFORMATION & REQUIREMENTS***

Established by [Minnesota Statutes 85.019](#), the purpose of the [Natural and Scenic Area Grant Program](#) is to protect and enhance natural and scenic areas. This program assists local governments and school districts in acquiring fee title acquisition and permanent easement acquisition to protect high quality natural and/or scenic areas. 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 for this grant.

### ***DEADLINE***

**March 31, 2023.**

If you would like feedback on your draft application, please submit it to staff by March 10<sup>th</sup>.

### ***FUNDING***

There are two sources of funding for the Natural and Scenic Area Grant Program: federal and state funds. Federal funds come from the [Land and Water Conservation Fund \(LWCF\)](#). Federal funding available for FY 2024 has not yet been allocated but should be at least \$2.5 million for the Outdoor Recreation Grant Program and the [Natural and Scenic Areas Grant Program](#).

State Environment and Natural Resources Trust Fund dollars may be recommended by the [Legislative Citizens Commission on Minnesota Resources \(LCCMR\)](#). Other state funding may be available but are subject to Legislative approval. Final amounts available will not be known until after the legislative session ends.

### ***GRANT AWARDS AND MATCH REQUIREMENTS***

The smallest grant award is \$10,000 for a total project cost of \$20,000. The maximum grant is \$500,000 (for a total project of \$1,000,000).

Per [Minnesota Statutes 85.019](#), the Natural and Scenic Area Grant Program can reimburse grantees up to 50 percent of the total eligible costs. That means you are responsible for, at least, half the cost of the proposed project.

The local match can consist of cash, the value of materials, labor, and equipment usage by the local sponsor, donations or any combination thereof. Applicants that provide at least 20% of the match from their own resources and/or have their full match committed at the time of the application will receive additional consideration in the review. Unskilled volunteer labor is valued, for this grant program, at \$9.00 per hour. Skilled volunteer labor is valued at its going rate. For donations of volunteer labor, obtain an invoice/letter on a company letterhead, detailing the work completed and the amount of the donation.

### ***ELIGIBLE APPLICANTS***

Cities, counties, townships, and school districts.

Note: The applicant must be the current or intended owner and manager of the property to be acquired or developed. 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 including site surveying, boundary signage, and immediate measures needed to stabilize the site and ensure the safety of users.
- Active restoration efforts are eligible as part of an acquisition project that would significantly improve the site's natural resource values.

### ***INELIGIBLE FACILITIES AND EXPENSES***

Ineligible facilities or expenses are those items that cannot be funded with a Natural & Scenic Areas Grant or included as part of the local match requirement. The following list includes common types of ineligible facilities. A determination of eligibility will be made by the Minnesota Department of Natural Resources (DNR).

- Acquisition of land already in public ownership.
- Any expenditure that occurs outside the dates of the grant contract.
- Administrative expenses, contingency allowances, archeological surveys, and legal fees.
- Incidental costs of land acquisition (e.g., appraisals, closing costs, and legal fees)
- Recreational 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 signage, 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 approval by program staff. 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 area 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.

### ***LAND RETENTION REQUIREMENTS***

**All land acquired with assistance from this grant program must be retained and operated solely for its intended use into perpetuity.**

The 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 easements are clearly identified and excluded from the boundaries of the project.

### ***DEED RESTRICTION REQUIREMENT***

The Grantee will be required to record a condition with the deed of the real property funded by the grant agreement that notifies the public of the grant and the grant program requirements. The specific deed restriction language varies depending on the source of funding and will be outlined in the grant contract.

### ***CONVERSION OF USE***

The Grantee shall not, at any time, convert this property to uses other than outdoor recreation without the prior written approval of the State acting through the DNR and, for federal grants, the National Park Service (NPS). The DNR 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 usefulness as determined by the State.

The DNR shall have the authority to approve or disapprove state conversion requests. For federal grants, the NPS will approve or disapprove the conversion requests. Approval of a conversion request is dependent on completion of the [Conversion of Use](#) process.

## **II. APPLICATION PROCESS**

The application is available to download from the [Natural and Scenic Area Grant Program](#). We urge applicants to begin the application process early to allow time to complete application requirements such as obtaining community involvement and completion of appraisals.

Only one park may be included in an application and only one application per park. Applicants are eligible to submit more than one application and receive more than one grant. Significant progress must be completed on active projects before an additional proposal can be submitted. Outstanding or unresolved conversions may also prevent an applicant from being eligible for this program.

### **DEADLINE**

**March 31, 2023**

Staff are available to discuss your project. If you would like feedback on your draft application, submit it by March 10<sup>th</sup>.

Use the form provided for each item or reproduce it in the same format. Use [Application Check-List](#) as your cover sheet. To submit your application, format the entire application, including all attachments, as one “pdf” and email it to [Parkgrants.DNR@state.mn.us](mailto:Parkgrants.DNR@state.mn.us) by **March 31**. Incomplete applications or applications received after the deadline will not be eligible for funding consideration.

After submission, make sure you receive a confirmation email that your application arrived in a useable form by the due date. Applications submitted in an unusable format will not be considered for funding. Paper submission of applications are no longer accepted.

### **COMPETITIVE REVIEW AND SELECTION PROCESS**

This program is competitive and requires a review and selection process to make funding determinations and awards. The review will focus on priorities set in the State Comprehensive Outdoor Recreation Plan and project specific criteria identified below. This will take place after the grant deadline, and funding announcements will be made in summer.

### **MINNESOTA’S 2020-2024 STATE COMPREHENSIVE OUTDOOR RECREATION PLAN**

Applications are assessed to ensure that the proposed project is consistent with identified priorities established in Minnesota’s [2020-2024 State Comprehensive Outdoor Recreation Plan](#) (SCORP). The SCORP provides guidance and direction to the state’s outdoor recreation providers for their work in protecting, maintaining and enhancing outdoor recreation opportunities for the state’s residents and visitors.

The SCORP identifies current and future trends affecting outdoor recreation in Minnesota including issues around public health; addressing diversity, equity, and inclusion challenges; demographic changes in Minnesota’s population; climate change impacts and accessibility.

Taken together, these trends and the strategies within the Strategic Directions represent both challenges and opportunities for Minnesota’s outdoor recreation providers for the next five years. The intention is that the 2020-2024 SCORP will aid these agencies and organizations as they plan for and invest in facilities and programs to meet the outdoor recreation interests of Minnesota’s residents and visitors.

### ***SELECTION PRIORITIES***

#### **Natural Resources Qualities (Approximately 45%)**

Natural resources qualities include endangered, threatened, or special concern species or communities; high quality native terrestrial or aquatic ecosystems; ecological viability; outstanding geological or physiographic features; protection of water quality; protection of shore land along rivers, lakes or streams, restoration efforts; high priority inholdings and potential vulnerability to exotic species.

#### **Scenic Qualities (Approximately 25%)**

Scenic qualities include bluff lands or other elevated terrain that afford an opportunity for viewing scenic vistas, viewing unique natural features, viewing unique historical or cultural features, protection of the scenic character of the landscape, and availability of public access.

#### **Other Review Components (Approximately 30%)**

Other review components include adjacent lands, educational and scientific values, open space and historical/cultural values, cost vs. benefit, match and local government commitment.

### ***PROJECT SITE EVALUATION REQUIREMENTS***

This program requires all applicants to prepare the Project Site Evaluation. This evaluation will provide information necessary to determine the impacts of the project, if any, on the environmental and cultural resources of the project area. It is very important, therefore, that the project site evaluation identify all possible impacts of the proposed project. This will help determine whether any changes in project scope or design may be required or whether mitigation measures must be undertaken. Use the resources below to help you fill out the evaluation.

### **ENDANGERED SPECIES AND CRITICAL HABITAT RESOURCES**

US Fish and Wildlife Service (USFWS) [Information for Planning and Consultation \(IPaC\) Report](#) provides a list of species and other resources such as critical habitat (collectively referred to as trust resources) under the USFWS’ jurisdiction that are known or expected to be in or near the project area. The list may also include trust resources that occur outside of the project area, but that could potentially be directly or indirectly affected by activities in the project area. However, determining the likelihood and extent of effects a project may have on trust resources typically requires gathering additional site-specific (e.g., vegetation/species surveys) and project-specific (e.g., magnitude and timing of proposed activities) information.



## MINNESOTA LIST OF ENDANGERED AND THREATENED ANIMAL SPECIES

Additional information on animals and plants that are endangered, threatened or merit special consideration or management is available from the Minnesota Natural Heritage Program/Nongame Wildlife Program, Section of Wildlife, Department of Natural Resources (DNR). A booklet entitled [Minnesota's List of Endangered and Threatened Animal Species](#), that includes a list of all species of Minnesota's animals and plants listed under the provisions of the Federal Endangered Species Act of 1973, Public Law 93-205, and/or Minnesota Statute 84.0895, is available from the DNR by calling (651) 296-6157 or (888) 646-6367 or at the DNR website [Minnesota's Endangered, Threatened, and Special Concern Species](#).

Additional information may be obtained by calling the Division of Ecological Resources information number at (651) 259-5100. The DNR is also developing biological surveys on a county-by-county basis on sensitive natural habitats and rare plant and animal species. Several publications are available which provide detailed information on these subjects. Additional information about county biological surveys is available at [Minnesota Biological Survey](#).

## WETLANDS RESOURCES

Minnesota has adopted a "no-net-loss" wetlands policy. Each state agency must ensure that its activities, including state sponsored, financed, or assisted projects, do not contribute to the loss or diminishment of the many important values of wetlands. Unavoidable impacts must be minimized, and compensatory mitigation must be provided for all values that have been lost or diminished. The basic reference for wetland determination will be the [National Wetlands Inventory](#) produced by the U. S. Fish and Wildlife Service and available at the DNR. Questions regarding implementation of the "no-net-loss" policy and identification of wetlands may be directed to the Ecological Resources Division, DNR at (651) 259-5100.

## PART 1: USFWS INFORMATION FOR PLANNING AND CONSULTATION (IPAC) REPORT

The program requires the review of your project by the US Fish and Wildlife Service (USFWS) [Information for Planning and Consultation \(IPaC\) Report](#) to provide a list of species and other resources such as critical habitat (collectively referred to as trust resources) under the USFWS' jurisdiction that are known or expected to be in or near the project area. The list may also include trust resources that occur outside of the project area, but that could potentially be directly or indirectly affected by activities in the project area. However, determining the likelihood and extent of effects a project may have on trust resources typically requires gathering additional site-specific (e.g., vegetation/species surveys) and project-specific (e.g., magnitude and timing of proposed activities) information.

From the website, click on "Get Started" then enter a location, define the area, and confirm the area where the project activities will occur. Then click on "Continue," and a resource list will be generated that can be printed.

## PART 2: REVIEW FOR POTENTIAL IMPACTS ON HISTORICAL/ARCHEOLOGICAL RESOURCES

[Minnesota Statute 138.665 Subd. 2](#) states, “Before carrying out any undertaking that will affect designated or listed properties, or funding or licensing an undertaking by other parties, the state department or agency shall consult with the State Historic Preservation Office pursuant to the society's established procedures to determine appropriate treatments and to seek ways to avoid and mitigate any adverse effects on designated or listed properties.”

## PART 3: MINNESOTA STATE HISTORIC PRESERVATION OFFICE (SHPO) DATA REQUEST

This program requires a data search for previously known archaeological sites and historic properties in the project area. A data search can be requested by sending an email to [DataRequestSHPO@state.mn.us](mailto:DataRequestSHPO@state.mn.us) with the township, section, range of the park. The data search will provide a listing of historical and archeological sites near/or within the project area.

If your application is funded, the DNR will use the information from your SHPO Data Request to initiate the federal Section 106 and/or state review process with the SHPO. If during the Section 106 or state review process, the SHPO determines you need to complete a Phase I or Phase II survey, you will need to complete it prior to contract approval for development projects and prior to the final reimbursement for acquisition projects.

For projects that have archeological and or historic properties identified with potential impacts, you will need to re-engage your public review process. You will need to identify consulting parties\*. The consulting parties and public need to have an opportunity to review and comment on the park plans in relation to the historic and archeological resources and potential impacts. The views of consulting parties and the public are essential to informed decision making. We encourage you to start consultation as early as possible.

\* Consulting party: individuals or organizations with demonstrated interest in the project. This interest could be legal, economic or interest in the project's effects on historic properties. The NPS, in concurrence with the SHPO and the appropriate Tribal Historic Preservation Officer (THPO), will evaluate and determine who will become a consulting party to the federal Section 106 review process.

### **PUBLIC PARTICIPATION AND COMMENTS**

Prior to the submission of your application, it is our expectation that you have engaged the general public, especially those homeowners and businesses near the proposed project. You may do this through public meetings, announcements in the newspaper, letters or flyers, newsletters, an announcement on your website, emails, or face-to-face meetings. The public must have an opportunity to review and comment on the proposed project. Information detailing your public participation process and comments received are required in your application.

All facilities within the park must be designed and available for general public use and open during typical park hours.

### **AVAILABILITY TO USERS**

Public property, facilities and programs shall be open to entry by all persons regardless of race, color, national origin, religion, or sex. No person, on the basis of disability, shall be excluded from participation in any program or activity receiving assistance from this program. 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. 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.

### **APPRAISAL REQUIREMENTS**

The application must include an appraisal report by a general real property appraiser licensed by the State of MN that meets the [Uniform Appraisal Standards for Federal Land Acquisition \(UASFLA\)](#). This is the federal (“yellow book”) standards. It must include the DNR and the NPS as intended users. 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 six months of the application deadline.

If your application is selected for funding, you may be required to submit a technical review of the appraisal report conducted by an appraiser who is not associated with the original appraiser and who is qualified to perform technical reviews under the UASFLA and 49 CFR Part 24.104. See [UASFLA](#) Section C-1 for further guidance on technical reviews.

### **NATIVE RESTORATION REQUIREMENTS**

All restoration activities will require a restoration and management plan to be submitted prior to contract approval and must follow the Board of Soil and Water Resources’ [“Native Vegetation Establishment and Enhancement Guidelines”](#) in order to ensure ecological integrity and pollinator enhancement.

When restoration activities are completed using grant funds, the grantee must conduct evaluations on parcels where activities were implemented both 1) initially after activity completion and 2) three years later as a follow-up. Evaluations should analyze improvements to the parcel and whether goals have been met, identify any problems with the implementation, and identify any findings that can be used to improve implementation of future restoration efforts at the site or elsewhere. Evaluation reports must be submitted to the DNR.

The grantee should consider contracting with the [Conservation Corps](#) for restoration activities.

### **CONFLICTS OF INTEREST**

It is the policy of the State to work to deliberately avoid actual or potential conflict of interests related to grant-making and grant administration at both the individual and organizational levels.

### Conflict of Interest

A conflict of interest occurs when a person has actual or apparent duty or loyalty to more than one organization and the competing duties or loyalties may result in actions which are adverse to one or both parties. A conflict of interest exists even if no unethical, improper, or illegal act results from it.

- **Actual Conflict of Interest**  
An actual conflict of interest occurs when a person's decision or action would compromise a duty to a party without taking immediate appropriate action to eliminate the conflict.
- **Potential Conflict of Interest**  
A potential conflict of interest may exist if a person has a relationship, affiliation, or other interest that could create an inappropriate influence if the person is called on to make a decision or recommendation that would affect one or more of those relationships, affiliations, or interests.

### Organizational Conflict of Interest

A conflict of interest can also occur with an organization that is a grant applicant in a competitive grant process or grantee of a state agency.

Organizational conflicts of interest occur when:

- A grantee's objectivity in carrying out the grant is impaired or compromised due to competing duties or loyalties
- A grantee, potential grantee or grant applicant has an unfair competitive advantage through being furnished unauthorized proprietary information or source selection information that is not available to all competitors.

The grantee must maintain an adequate Conflict of Interest Policy and, throughout the term of the contract, monitor and report any actual or potential conflicts of interest to the State. Grantees are expected to follow their own documented conflict of interest policy and procedures.

### **AWARD OF FUNDS**

All applicants will receive official written notification regarding their request for funding in the summer. If your proposed project has received preliminary approval for funding, you will be contacted regarding additional information requirements needed before a grant agreement can be processed. These requirements may include State Historic Preservation Office (SHPO) review, permits and other details.

The project start date will be the fall of 2023 or later depending on requirements for environmental resources, historical and archeological resources, and federal approval, if applicable. All work must be completed by June 30, 2025. Most of our funding does not allow

for a project extension beyond this date. Applicants should focus on projects that will be completed during the 2024 construction season. Any project costs incurred prior to the start date of the grant agreement will not be eligible for reimbursement.

**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. ADMINISTERING THE GRANT**

Now that you've been awarded the grant, you have to administer it. The first thing to do is read the grant agreement contract to make sure you understand all the requirements (e.g., grant end date). If you have questions or concerns, contact program staff.

#### **REQUESTING REIMBURSEMENTS**

Attachment A – Budget of the grant agreement contract outlines the budget for this project. Those items must be completed as proposed by the grant end date. In order to be reimbursed for the full amount of the grant, you must spend the total cost of the project by the grant end date.

Any changes to the project description or significant changes to the cost breakdown must be submitted to and approved by the state's authorized representative identified in the grant agreement. Failure to notify the state's representative prior to initiating a change in the project could jeopardize receipt of the funds approved for the project.

Payment of grant funds is by reimbursement. You must initially pay project expenses and then claim reimbursement under the terms of the grant agreement. You may request no more than four reimbursements, if you anticipate needing more than four, please contact us.

#### **REPORTING REQUIREMENTS**

It is the policy of the State 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 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.

#### **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.

#### **FINAL ONSITE INSPECTION**

When you have completed your project as proposed and outlined in Attachment A - Budget, inform your Grants Manager. She will schedule an onsite final inspection with your staff. The inspection will focus on ensuring that the project was completed in accordance with the grant agreement contract, that facilities are accessible and a funding acknowledgment sign is

installed. Any issues that are discovered during the final onsite inspection must be corrected.

### ***CLOSEOUT PROCEDURES***

Upon completion of your project, a final billing must be submitted to our office. Program staff will complete an on-site final inspection of all development and/or redevelopment projects. The inspection will focus on ensuring that the project was completed in accordance with the grant agreement.

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.

### **IV. POST COMPLETION GRANT REQUIREMENTS**

Congratulations! You've successfully completed your grant.

Regardless of the extent of assistance, these post-completion responsibilities apply to the parkland in the Boundary Map. Your post-completion grant responsibilities include posting a funding acknowledgment sign at the entrance of the park, maintaining and operating the facility so it's safe and inviting to the public, and retaining the land funded with this grant solely for outdoor recreation into perpetuity. That's right...into perpetuity. While the funded facilities may become obsolete over time, the parkland must be maintained and used for outdoor recreation into perpetuity. Make sure you keep the grant agreement contract in a place your staff can find.

As part of post-completion responsibilities state staff will periodically inspect the parkland to ensure that the site is being properly operated and maintained and that no conversion of use has occurred. Any changes to assisted sites must be approved in advance.