

LEGISLATIVE COMMISSION ON MINNESOTA RESOURCES

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LCMR PARKS STUDY GROUP REPORT

Approved as amended by the full LCMR
on
February 4, 2004

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The LCMR Parks Study Group acknowledges the support and cooperation of staff of the Department of Natural Resources, Parks and Recreation Division and Outdoor Recreation Grants Program; the Metropolitan Council; and county and city park directors in Greater Minnesota.

EXECUTIVE SUMMARY

During the 2003 legislative session, the Legislature struggled with statewide budget shortfalls. Discussions related to operations and maintenance financing of state and metropolitan regional parks included raising entrance and camping fees for state parks, whether state parks could be more self-sufficient, and how much financial support the state should provide to metropolitan regional parks. Capital funding for Minnesota parks has been a priority of the Legislative Commission on Minnesota Resources since its inception in 1963. At the request of the House Environment and Natural Resource Finance Committee Chair, and to help inform future legislative funding discussions, the LCMR recommended the following appropriation language for a study commission on park systems:

(b) LCMR Study Commission on Park Systems \$26,000 the first year is from the trust fund to the legislative commission on Minnesota resources to evaluate the use of fees to assist the financial stability and the potential of fees to provide for self-sufficiency in Minnesota's park systems, including state parks, metropolitan regional parks, and rural regional parks in greater Minnesota. The study commission will report to the chairs of the senate and house environment finance committees by February 16, 2004. (Minn. Laws 2003, Chap. 128, Art. 1, Sec. 9, Subd 3.(b).)

The LCMR Chair appointed the LCMR Parks Study Group. The Study Group consists of Representatives Dennis Ozment, Chair of the Study Group, Phyllis Kahn, Jim Knoblach, Kathy Tingelstad, and Senators Linda Higgins, Carrie Ruud, Dallas Sams, and Jim Vickerman. The Parks Study Group presented its report to the full LCMR for discussion and decision making on

February 4, 2004. The LCMR amended and adopted the report.

The LCMR Parks Study Group met six times during the second half of 2003. The Study Group reviewed background information on state parks, metropolitan regional parks, regional parks in Greater Minnesota, and state trails; heard presentations from representatives of the various park agencies; and took public testimony. In addition, the LCMR summer trips included presentations and tours of four state parks and one state recreation area, six metropolitan regional parks, and four regional parks in Greater Minnesota.

Findings

- a. State parks, metropolitan regional parks, and regional parks in Greater Minnesota are elements of a comprehensive and complementary statewide park system. Each system has a different mission, different goals, and different clientele but each system is based, in varying degrees, on similar public benefits. These benefits include preserving natural resources, protecting open space, protecting cultural and historical resources, physical fitness opportunities, as well as providing recreational opportunities and interpretive services.
- b. The state park and metropolitan regional park systems both rely on user fees and non-tax revenues (such as transfers from enterprise funds) but in varying amounts. The percent of state park operating costs from these sources is projected to be 40 percent in SFY 2004. The percent of metropolitan regional park operating costs from user fees and

non-tax revenues was between 16 and 17 percent in CYs 2002 and 2003.

- c. State parks rely on the state general fund and lottery-in-lieu revenues for most of its operating revenues (60 percent in SFY 2004). Metropolitan regional parks depend predominantly upon local property taxes (73 percent in CY 2003). The state general fund and lottery-in-lieu revenues accounted for 11 percent of the metropolitan regional parks operating budget in CY 2003.
- d. Entrance and camping/lodging fees for state parks are fairly uniform even when the services, facilities, and demand vary. For instance, campsites with similar amenities cost the same whether in prime locations along a lakeshore or in less demanded locations away from a lakeshore. Fees charged for some facilities, such as group camps, do not appear to reflect market demand.
- e. User fees for metropolitan regional parks vary with the local park implementing agency because the governing boards of some park systems have elected to charge entrance fees and others have not. For example, Washington County generates 34 percent of its regional park operating budget from user fees, compared with Ramsey County, which generates seven percent of its regional park operating budget from user fees.
- f. There are opportunities for managers of state parks, metropolitan regional parks, and regional parks in Greater Minnesota to expand their reliance on user fees.
- g. With the exception of the Central Minnesota Regional Parks and Trails

Plan (for Benton, Sherburne, and Stearns counties), local units of government in Greater Minnesota have not created a "system" for coordinating development and management of regional parks. As a result, comparable attendance and financing data for regional parks in Greater Minnesota are not available. The DNR criteria for capital grant programs (acquisition, development, and rehabilitation) seem to serve as an accepted definition of Greater Minnesota regional parks.

- h. There is urgency for local governments to acquire available land suitable for regional parks in Greater Minnesota because of rapidly rising land costs and development pressures in developing areas.
- i. State and regional parks and trails provide interconnected systems for outdoor recreation opportunities. Discussions of parks and trails should acknowledge this interdependence.

Conclusions / Recommendations

1. **As part of the Department of Natural Resources' proposed FY 2006-07 budget, the Division of Parks and Recreation should develop suggestions for increasing fees, generating additional revenues, developing new revenue opportunities, and improving efficiency in order to provide for greater self-sufficiency of, while maintaining public access to, the state park system.**

During the LCMR summer trips, members visited several state parks and observed a fully-occupied lakeshore campground at Lake

Carlos State Park. Members also saw a group camp site and heard from park staff about the high demand for certain camp grounds (especially those near lakes) and group camp sites. DNR is being asked to examine the rates charged for campgrounds and group campsites in state parks in relation to demand for those sites and access for the public.

- 2. As part of the Department of Natural Resources' proposed FY 2006-07 budget, the Division of Parks and Recreation should analyze its park operations and develop suggestions for implementing differential fees based on popularity of a state park, peak season, location of a campsite (i.e., lakeside or not). DNR should present the results of this analysis to the environmental finance committees during the 2005 legislative session.**

One component of the DNR's review and evaluation of state park fees should include a review of differential entrance, camping, and other state park fees. This report contains several examples of other states that use differential fees. For instance, Ohio state parks charges a high fee for "premium campsites" which may be waterfront locations or offer special amenities such as wooden decks and pull-through park pads.

- 3. Encourage managers of Metropolitan Regional Parks and Trails and Greater Minnesota regional parks to develop suggestions for increasing fees, generating additional revenues, developing new revenue opportunities, and improving efficiency in order to provide for**

greater self-sufficiency of, while maintaining public access to, the metropolitan regional park system and Greater Minnesota regional parks.

In the metropolitan regional parks system, the local park implementing agencies use a variety of user fees to support regional park operations and maintenance costs. There is wide variation in the percent of O&M costs financed with user fees and charges. In Greater Minnesota regional parks reliance on user fees is less prevalent, even when there is high demand for some facilities, such as pavilions.

- 4. Encourage managers of state parks, metropolitan regional parks and trails, and Greater Minnesota regional parks to explore the use of electronic scanners, bar code cards and other technologies to track where park permits are purchased and where they are used.**

The Study Group heard from many park managers about the difficulty of collecting entrance fees and determining the origin of visitors. Exploring the use of new technologies could solve some of those problems.

- 5. Consider state funding for all regional parks in areas of the state where a large part of the population does not have proportional access to nearby state parks. Regional parks in Greater Minnesota that are in areas of the state where a large part of the population does not have proportional access to nearby state parks should be**

considered equivalent to Metropolitan regional parks.

Encourage counties and cities in Greater Minnesota to coordinate the development and management of regional parks, such as the Central Minnesota Regional Parks and Trails Plan (for Benton, Sherburne, and Stearns counties) for planning and prioritizing park operations, management, estimating attendance/visit data, and land acquisition.

- 6. Encourage all parks and trails managers (in state parks, metropolitan regional parks, and Greater Minnesota regional parks) to develop and share information on best practices and innovative ideas for managing parks, trails, and open space using a web site, list serv, periodic meetings, or other appropriate methods.**

INTRODUCTION

Minnesota parks have been a priority of the Legislative Commission on Minnesota Resources since its inception in 1963. At the request of the House Environment and Natural Resources Finance Committee Chair, and to help inform future legislative funding discussions, the LCMR recommended the following appropriation language for a study commission on park systems:

(b) LCMR Study Commission on Park Systems \$26,000 the first year is from the trust fund to the legislative commission on Minnesota resources to evaluate the use of fees to assist the financial stability and the potential of fees to provide for self-sufficiency in Minnesota's park systems, including state parks, metropolitan regional parks, and rural regional parks in greater Minnesota. The study commission will report to the chairs of the senate and house environment finance committees by February 16, 2004. (*Minn. Laws* 2003, Chap. 128, Art. 1, Sec. 9, Subd 3(b))

The LCMR chair appointed the following members to the LCMR Parks Study Group: Rep. Dennis Ozment, Chair of the Study Group; Rep. Phyllis Kahn; Rep. Jim Knoblach; Rep. Kathy Tingelstad; Sen. Linda Higgins, Sen. Carrie Ruud, Sen. Dallas Sams, and Sen. Jim Vickerman. The Parks Study Group plans to present its final report to the full Legislative Commission on Minnesota Resources in early February 2004.

The LCMR Parks Study Group met six times during the second half of 2003.¹ The Study Group reviewed background information on state parks, metropolitan regional parks, regional parks in Greater Minnesota, and state trails; heard presentations from representatives of the various park agencies; and conducted a public hearing. In addition, the LCMR summer trips included presentations and tours of the following state parks, and metropolitan regional and Greater Minnesota regional parks:

State Parks and Recreation Area

Glendalough State Park - Aug. 6 and 7
Lake Carlos State Park - Aug 7
Hill Annex Mine - Aug. 19
Gilbert ATV State Recreation Area - Aug. 20
Lake Shetek State Park - Sept. 30

Metropolitan Regional Parks and Trails

Carver Park Reserve, Three Rivers Park District - Oct. 7
Lake Minnewashta Regional Park, Carver County - Oct. 7
Hyland-Bush-Anderson Lake Park Reserve, Three Rivers and Bloomington - Oct. 7
Nokomis-Hiawatha Regional Park, Minneapolis Park and Recreation Board - Oct. 7
Bunker Hills Regional Park, Anoka County - Oct. 8
Keller-Phalen Lakes Regional Park (drive through), Ramsey County - Oct. 8

Greater Minnesota Regional Parks

Honer Property, potential Stearns County regional park - Aug. 7

¹ LCMR Park Study Group met on the following days in 2003: July 15, July 28, Sept. 9, Oct. 23, Dec. 5, and Dec. 18.

Mound Creek Regional Park, Brown County - Sept. 30
Seven Mile Creek Park, Nicollet County - Oct. 1
Graves Farm site, Benton County - Oct. 9

The Background Information section of this report describes the purpose and types of units and facilities in the state park system, the metropolitan regional parks and trails system and regional parks in Greater Minnesota. Information on park visits, operations and maintenance costs and financing, user fees and other charges are also presented.

The Policy Issues section contains the conclusions / recommendations of the LCMR Parks Study Group. It also contains a list of the ideas and suggestions from Study Group members that were part of the discussions while developing the outline for the final report, but may not have led to any conclusions or recommendations.

BACKGROUND INFORMATION

1. Purpose and Benefits of Parks, Open Space, and Recreation

FINDING: State parks, metropolitan regional parks, and regional parks in Greater Minnesota are elements of a comprehensive and complementary statewide park system. Each system has a different mission, different goals, and different clientele but each system is based, in varying degrees, on similar public benefits. These benefits include preserving natural resources, protecting open space, protecting cultural and historical resources, physical fitness opportunities, as well as providing recreational opportunities and interpretive services.

2. Elements of Minnesota State Parks, Metropolitan Regional Parks and Trails, and Greater Minnesota Regional Parks

This section of the report contains the following items for each of the three types of parks examined: a) description/definition (purpose, who operates, number and types of units, nature of facilities), b) authorizing legislation and criteria for new units, c) visits and the most popular parks in each system, d) economic impacts, e) operations and maintenance costs and sources of funding, f) user fees and other non-tax revenues, and g) capital financing.

a. Description / Definition

As an overview for the information presented below, Table 1 compares financial, visit, size, and other information for the state park and metropolitan regional park systems. Funding sources for park operating budgets are presented. Ratios for acres per visit, operating budget per acre and visit are also presented. Comparable information for regional parks in Greater Minnesota is not available.

Minnesota State Parks

The Minnesota State Park system includes 67 state parks and 6 recreation areas, 8 waysides, 1 state trail, and 54 state forest campgrounds and day use areas. The Parks and Recreation Division of the Department of Natural Resources (DNR) is responsible for planning, developing, operating, and maintaining Minnesota's state park system. DNR Field Operations, Management Information Systems, Human Resources, and Information and Education provide support services to the Division.

The mission of the state park system is to 1) preserve and protect natural and cultural resources of statewide significance, including representative examples of Minnesota's pre-settlement resources; 2) educate the public about these treasures; and 3) provide appropriate outdoor recreation opportunities.

Minnesota's state park system covers over 268,209 acres, including the newly authorized Greenleaf Lake State Park and recent boundary changes to existing state parks. According to DNR, 215,000 (80 percent) of the acres within the state park statutory boundaries are state owned. The state parks range in size from 118 acres at

TABLE 1: COMPARISON OF STATE PARKS AND METROPOLITAN REGIONAL PARKS

	STATE PARKS		METROPOLITAN REGIONAL PARKS
Total Acres	268,208		51,785
Number of Units	67 state parks 6 recreation areas 8 waysides 1 state trail		35 regional parks 10 park reserves 22 regional trails
Average Size	3,658 acres - state parks		580 acres - regional parks 2,800 acres-park preserves
Campsites	5,496		658
Estimated Total Visits	8,100,000		30,000,000
Overnight Visits / Campers	901,236		254,500
Percent of Total	11%		1%
Percent of Visits from MN	84%		97%
Percent of Visits from outside MN	16%		3%
Percent of Visits from Metro Area	43%		94%
	Actual SFY 2003	Projected SFY 2004	Actual CY 2002
Budget	\$32,500,000	\$32,200,000	\$63,587,000
Source of revenues:			
State General Fund	\$17,875,000	\$16,100,000	\$8,009,000 for General Fund and LIL Combined
Lottery-in-Lieu	\$4,225,000	\$3,220,000	
Local Property Taxes	\$0	\$0	\$44,574,000
User Fees	\$6,825,000	\$9,016,000	\$9,430,000
Working Capital Acc't & Douglas Lodge	\$3,900,000	\$3,864,000	\$0
Enterprise Revenue & Non-Tax Revenue	\$0	\$0	\$1,574,000
Share of revenue source:			
State General Fund	55%	50%	13% for General Fund and LIL Combined
Lottery-in-Lieu	13%	10%	
Local Property Taxes	0	0	70%
User Fees	21%	28%	15%
Working Capital Acc't & Douglas Lodge	12%	12%	0
Enterprise Revenue & Non-Tax Revenue	0	0	2%
Combined: User Fees & Other Non-Tax Revenues	32%	40%	17%
FTEs	400		749
Economic Impact: spending by park visitors, for park operations and capital	\$218,000,000		\$219,000,000
Acres per FTE	671		69
Acres per visit	0.033		0.002
Operating budget per acre	\$121		\$1,228
Operating budget per FTE	\$81,250		\$84,896
Operating budget per visit	\$4.01		\$3.98
			\$2.12
State support per visit (GF+LIL)	\$2.73		\$2.39
Local property tax support per visit	0		\$1.48
User fees & non-tax revenues per visit	\$1.32		\$0.37

Franz Jevne to nearly 33,900 acres at St. Croix, with an average size of 3,658 acres. (Appendix A contains visit and size information for each state park and recreation area.)

Recent additions to the state park system include Big Bog State Recreation Area in Beltrami County and Red River State Recreation Area in East Grant Forks both added in 2000, and Greenleaf Lake State Park in Meeker County which was established in 2003.

State parks contain numerous campgrounds, camper cabins and other lodging, picnic sites, visitor centers, miles of trail, historic landmarks and buildings, beaches, fishing piers, water access sites. In addition to seven Scientific and Natural Areas, many Minnesota's state parks contain significant natural resources including prairies, rivers, waterfalls, stands of old growth pine, bluff lands, habitat for rare and endangered flora and fauna, critical endangered and threatened landscapes, and countless lakes. Table 2 summarizes facilities in state parks, metropolitan regional parks, Greater Minnesota regional parks, and state trails.

Metropolitan Regional Parks and Trails

The Metropolitan Regional Park system encompasses approximately 51,785 acres of parkland and includes 35 regional parks, 10 park reserves, 4 special recreation features, and 22 regional trails, which are currently open for public use. These park and trail units are owned and operated by 10 regional park implementing agencies -- Anoka, Carver, Dakota, Ramsey, Scott, and Washington counties, the Three Rivers Park District, and the Minneapolis Park and Recreation Board, and the cities of St. Paul, and Bloomington. Scott County has a joint powers agreement with Three Rivers Park District.

The Metropolitan Council, with advice from the Metropolitan Parks and Open Space Commission (MPOSC), is responsible for managing the system-wide planning and capital improvement funding process for the metropolitan regional parks system. The Council works with the park implementing agencies to acquire and develop parks and trails to protect natural resources and provide outdoor recreation for public enjoyment.

In addition to the existing units that are open for public use, the Metropolitan Council and implementing agencies have identified planned units yet to be acquired and/or developed, such as Big Marine Park Reserve in Washington County. An additional 5,164 acres are in these other units; 2,656 acres of which remains to be acquired.

Metropolitan regional parks and trails provide facilities and activities to meet the outdoor recreation needs of the people in the Twin Cities metropolitan area. The system also protects open space and land with significant natural resource features. "Regional recreation open space" means,

land and water areas, or interests therein, and facilities determined by the metropolitan council to be of regional importance in providing for a balanced system of public outdoor recreation for the metropolitan area including but not limited to park reserves, major linear parks and trails, large recreation parks, and conservatories, zoos, and other special use facilities. (*Minn. Stat. §473.121 Subd. 14*)

Regional parks range in size from 100 acres to 2,800 acres, with an average size of 580 acres. They provide a wide-array of outdoor recreation opportunities, including walking,

hiking, biking, cross-country skiing, in-line skating, picnicking, camping and nature interpretation. Regional parks tend to be located on rivers or lakes offering resources for boating, fishing and swimming. Golfing is provided at some regional parks, but these golf courses are funded entirely with user fees as "enterprise facilities". Downhill skiing is also offered in Hyland-Bush-Anderson Lakes Park Reserve and at Como Regional Park. Like golfing, downhill skiing is financed solely with user fees. (Appendix B contains information on visits and size for each unit in the metropolitan regional park system.)

Park reserves range in size from 1,200 to over 4,800 acres at Elm Creek Park Reserve, with an average size of 2,800 acres. Like regional parks they are expected to provide a diversity of outdoor recreation activities. The major factor distinguishing park reserves from regional parks is that 80 percent of park reserves are undeveloped and managed to protect and preserve representative landscapes of the Metropolitan Area.

Special recreation features, which are called for in *Minn. Stat. §473.121*, are regional park system opportunities not generally found in the parks, the park reserves or regional trails. Special recreational features often require a unique managing or programming effort on the part of regional park implementing agency. Special recreational features include Gale Woods, the Como Park Zoo and Conservatory, Square Lake, and Noerenberg Floral Gardens. An additional special recreation feature—the former Salvation Army camp on Silver Lake has been acquired but is undergoing development master planning at this time. The Salvation Army has leased the land back and continues to operate it as a camp.

Finally, the metropolitan regional park system contains regional trails that link the regional parks together and also provide linkages to local trail systems comparable to major highways linking local street systems together. Currently there are 22 regional trails covering 170 miles. These trails provide opportunities for walking, cycling, in-line skating, and commuting.

The metropolitan parks and trails system contains campgrounds, trails, picnic shelters and tables, playgrounds, boat launches and fishing piers, swimming beaches, water parks, interpretive centers, refreshment stands. (See Table 2.)

Greater Minnesota Regional Parks

FINDING: With the exception of the Central Minnesota Regional Parks and Trails Plan (for Benton, Sherburne, and Stearns counties), local units of government in Greater Minnesota have not created a "system" for coordinating development and management of regional parks. As a result, comparable attendance and financing data for regional parks in Greater Minnesota are not available. The DNR criteria for its capital grant programs (acquisition, development, and rehabilitation) seem to serve as an accepted definition of Greater Minnesota regional parks.

Appendix C contains a list of 53 county and city parks that may be considered "regional parks" based on their size, natural resource base, or significant use by people from outside the immediate area. DNR staff for the Outdoor Recreation Grant program, along with an ad hoc group of county and city parks staff, developed this list, based on criteria developed by DNR for funding regional parks. (The funding criteria are presented below.) This is not intended to be an exhaustive list, but simply provides some

examples of existing parks that have a regional significance. Regional parks in Greater Minnesota are not part of an organized system; consequently, a comprehensive list of Greater Minnesota regional parks does not exist and information on park financing and visits is not available. Other county and city parks might also be considered regional parks.

The 53 Greater Minnesota regional parks identified encompass approximately 19,000 acres and average 350 acres in size. The parks range in size from 62 to 3,000 acres.² Counties manage about 79% of the parks, while cities manage 21%. Thirty-one counties are represented on the list of county- and city-operated regional parks. Counties with the largest number of regional parks are Wright, with nine regional parks, and Olmsted, with five parks. Beltrami County accounts for the most park acreage, with 3,000 acres or 16 percent of the total, followed by Olmsted County with 14 percent (or 2,584 acres), and Wright County with 12 percent (or 2,258 acres).

Picnic areas and hiking trails are provided in 42 parks and are the predominant activity in Greater Minnesota regional parks (see Table 2). Camping, swimming, fishing and boating or canoeing opportunities are available in many parks. The regional parks also contain unique features, such as scenic valleys, gorges, waterfalls and rapids, granite quarries, natural prairie, along with lake frontage and frontage on the Mississippi and other rivers. Several parks have day-use buildings that accommodate environmental education activities. Some parks border DNR property.

In addition to regional parks, local governments administer regional trails, such as the Red Jacket, Lake Wobegon, Cannon Valley, and Mesabi trails (see Table 2).

DNR Funding Criteria for Greater Minnesota Regional Parks: The following factors are part of the general criteria used to evaluate and rank DNR Outdoor Recreation Grant applications. These criteria were used to identify examples of regional parks in Greater Minnesota.

1. **Size:** 100 or more acres (with exceptions based on use characteristics, special features, etc.).
2. **Use:** Evidence that the park serves at least a regional clientele (as opposed to mostly local). Other related factors may include evidence that the facility draws tourists from outside the local area.
3. **Recreation Activities Offered:** The park should provide outdoor recreation facilities and activities that are primarily natural resource based (camping, picnicking, hiking, swimming, boating, canoeing, fishing, nature study). A related measure is the range of these activities accommodated within the park. For example, a park with a beach, campground and boat launch facilities are more likely to attract a regional clientele than a park with only a fishing pier.
4. **Special Features:** Unique or unusual geologic features or historical significance of the site; zoos; etc.

² Information on park size is approximate because acreage data are missing for some regional parks in Greater Minnesota.

5. Scarcity of Recreational Resources: The park provides public natural resource based recreational opportunities that are not otherwise available within a reasonable distance. These might include water-based activities, such as swimming, fishing and boating; interpretive nature trails; public campgrounds, etc.
6. Statewide Significance: Characteristics of the park are of statewide significance, such as site of a major state historical event, unique resource of statewide significance, etc.

b. Authorizing Legislation and Criteria for New Units

Appendix D contains the detailed language of the authorizing legislation for each park system, along with criteria for new units that are included in *Minnesota Laws*.

Minnesota State Parks

Minnesota Statutes Chapters 85 and 86A, the Outdoor Recreation Act of 1975, authorize and govern the creation and management of the Minnesota state park system. The act identifies state parks, recreation areas, waysides, and state forest campgrounds as part of Minnesota's outdoor recreation system, which is designed to accommodate the outdoor recreation needs of all citizens of Minnesota. The act also designates DNR as the managing agency for these units. According to the act:

A state park shall be established to protect and perpetuate extensive areas of the state possessing those resources which illustrate and exemplify Minnesota's natural phenomena and to provide for the use, enjoyment, and understanding of such resources without impairment for the enjoyment and recreation of future generations. (*Minn. Stat. §86A.05, subd. 2 (a)*)

State parks shall be administered... to preserve, perpetuate, and interpret natural features that existed in the area of the park prior to settlement... Programs to interpret the natural features of the park shall be provided... Outdoor recreation activities to utilize the natural features of the park that can be accommodated without material disturbance of the natural features... may be permitted... (*Minn. Stat. §86A.05, subd. 2 (c)*)

Only the Legislature can create, expand, or change the boundaries of state parks, recreation areas, and waysides. *Minn. Stat. §86A.05, subd. 2(b)* contains the criteria for new state parks, see Appendix D.

State recreation areas are designed to "provide a broad selection of outdoor recreation opportunities in a natural setting that may be used by large numbers of people." (*Minn. Stat. §86A.05, subd. 3.*)

Metropolitan Regional Parks and Trails

The Metropolitan Council's initial authority to prepare a Regional Recreation Open Space Policy Plan is the 1967 legislation that created the Metropolitan Council. *Minn. Stat. §473.145* states that the Council shall prepare and adopt a comprehensive development guide for the metropolitan area, that recognizes and encompasses parks and open space land needs, among other things. (See Appendix D.)

In 1974, more specific park and open space legislation came into being with the passage of the Metropolitan Parks Act (*Minn. Stat. §473.147*). The Act, plus a 1974 companion act creating a Metropolitan Parks and Open Space Commission (*Minn. Stat. §§473.301-351*), established the basis for Council management of a planning and funding process directed at building a regional recreation park and open space system for the metropolitan area. The Regional Recreation Open Space Policy Plan helps guide and fulfill the legislative purpose of the regional recreation open space system as stated in *Minn. Stat. §473.302*:

The legislature finds that the pressure of urbanization and development threatens valuable recreational open space areas in the metropolitan area at the same time as the need for such areas is increased. Immediate action is therefore necessary to provide funds to acquire, preserve, protect and develop regional recreational open space for public use.

Minn. Stat. §473.351, which became law in 1985, states that the state will finance at least 40 percent of operating and maintenance costs for the Metropolitan Regional Parks and Trails System.

Greater Minnesota Regional Parks

Two sections of *Minn. Stat. Chapter 85* relate to Greater Minnesota regional parks: *Minn. Stat. §§85.019* and *§§85.50 to 85.52*.

Minn. Stat. §85.019 Local Recreation Grants, requires the Commission of the Department of Natural Resources to administer programs that provide grants to local units of government for parks and outdoor recreation areas and facilities, and regional trails. Park grants may be for up to 50 percent of the costs of acquisition and betterment of public land and improvements needed for parks and other outdoor recreation areas and facilities. Regional trail grants are for acquisition and betterment of public land and improvements needed for trails outside the metropolitan area deemed to be of regional significance or for trails that connect communities, trails, and parks. Recipients must provide a nonstate cash match of at least one-half of total eligible project costs.

In addition, the Commissioner shall administer a program to provide grants to local units of government and school districts for the acquisition and betterment of natural and scenic areas such as blufflands, prairies, shorelands, wetlands, and wooded areas. A grant may not exceed 50 percent or \$500,000, whichever is less, of the costs of acquisition and betterment of land acquired under this subdivision.

In 1999, *Minn. Stat. §§85.50 to 85.52* authorized Stearns, Benton, and Sherburne counties to create, under a joint powers agreement, a regional parks and trail

coordinating board to develop, adopt, and amend a central Minnesota regional parks and trails plan. The Central Minnesota Regional Parks and Trails Plan includes, at a minimum, existing regionally significant parks and trails that are identified in the plan under a local unit of government jurisdiction and newly developed parks and trails or trail connections to communities, parks, or public open space.

c. Estimated Visits

Minnesota State Parks

Approximately 8.1 million people visited state parks each year in 2000, 2001, and 2002, based on DNR three-year average data for these years. Overnight visitors staying in campgrounds, camper cabins, or other lodging accounted for 11 percent (or 901,236) of these visits. In 2002, State Forest campground overnight visitors totaled 133,281. An average of one million people visited state park interpretive centers and participated in some type of outdoor education each year between 2000 and 2002.

When ranked by the number of visits, the top six parks accounted for about one-third of all visits and the top 12 parks accounted for 50 percent of all visits (see Table 3). Similarly, the top six parks accounted for one-third of all overnight visits.

Total Visits				Overnight Visits			
Rank	State Park	Number	%age of Total	Rank	State Park	Number	%age of Total
1	Gooseberry Falls	579,989	7.2%	1	Itasca	102,838	11.5%
2	Itasca	516,673	6.4	2	St. Croix	52,422	5.8
3	Fort Snelling	479,728	6.0	3	Whitewater	47,042	5.2
4	Interstate	352,463	4.4	4	Lake Carlos	37,466	4.2
5	Split Rock Lighthouse	335,519	4.2	5	Sibley	36,001	4.0
6	Sibley	335,113	4.2	6	William O'Brien	32,187	3.6
7	Whitewater	310,851	3.9	7	Gooseberry Falls	30,570	3.4
8	Temperance River	282,088	3.5	8	Jay Cooke	30,491	3.4
9	Tettegouche	264,335	3.3	9	Forestville / Mystery Cave	27,057	3.0
10	Flandrau	259,938	3.2	10	Wild River	25,896	2.9
11	William O'Brien	224,035	2.8	11	Father Hennepin	25,352	2.8
12	Jay Cooke	223,583	2.8	12	Temperance River	21,922	2.4
	Subtotal	4,164,316	52%		Subtotal	469,246	52%

Source: DNR. Three-year average state park attendance for 2000, 2001, 2002.

About 84 percent of the visitors to Minnesota state parks were from Minnesota and 16 percent are from outside Minnesota.³ The origin of Minnesota visitors shows 43 percent from the Metro area, followed by 16 percent from the Southwest, 13 percent from the Southeast, 13 percent from Central, 9 percent from the Northwest, 7 percent from the Northeast. Based on park visitor surveys, the top three activities for state park visitors are hiking, sight seeing, and nature observation.

Metropolitan Regional Parks and Trails⁴

There were an estimated 30 million visits to the Metropolitan regional park system in 2002. (This amount does not include visits for golfing). Visitation increased three percent, or about 998,000 visits, over the 2001 estimate. Overnight visits, such as campers, were less than one percent (0.8%) or 254,500 visits of total visits in 2002.

Most park use occurred during the summer season (45 percent), followed by fall and spring (22 percent each).⁵ Special events accounted for 4 percent of usage.

Twenty-two percent of all 2002 visits were to regional trails. Seventy-eight percent were visits to regional parks, park reserves and special recreation features.

Sixty-two percent of all visits were to regional parks and trails within Minneapolis and St. Paul. The three most visited regional park and trail units in 2002 accounted for one-third of all visits and the top seven parks accounted for over 50 percent of all visits (see Table 4.)

Rank	Regional Park / Trail Name	Number	Percentage of Total
1	Minneapolis Chain of Lakes	5,554,583	18.5%
2	Mississippi Gorge (Mpls. & St. Paul)	2,407,709	8.0
3	Como RP, Zoo, Conservatory SRF	2,218,395	7.4
4	Minnehaha Parkway (trail)	2,187,748	7.3
5	Nokomis-Hiawatha	1,260,638	4.2
6	Wirth-Memorial Parkway	1,062,819	3.5
7	Hyland/Bush/Anderson Lakes	716,302	2.4
	Subtotal	15,408,194	51.3%

Source: Metropolitan Council, Annual Use Estimate of the Metropolitan Regional Park System for 2002, April 2003.

³ Office of Management and Budget Services, Minnesota Department of Natural Resources, 2001 Minnesota State Park Visitor Survey Summary Report, December 2002.

⁴ Metropolitan Council, Annual Use Estimate of the Metropolitan Regional Park System for 2002, April 2003. The annual visitation estimate is based on a four-year average of counts of visitors taken during the summer months for 1999 through 2002, with the exception of St. Paul. The St. Paul estimate is based on 1998 through 2001 data due to data collection problems experienced in 2002.

⁵ Non-summer visitation estimates for 2002 are based on data collected and analyzed in 1998 and 1999. The updated information shows that there has been a significant increase in the amount of visits to the regional park system during the non-summer months over the last 20 years.

Where were visitors to metropolitan regional parks and trails from? About 59 percent of all visits to regional parks and trails are considered “local” visits. A local visit is defined as a visit to a park/trail by a person who lives within the jurisdiction of the park agency which owns/manages the regional park or trail. About 35 percent of all visits are “regional” visits. Regional visits are the non-local visits by persons living within the metropolitan area. Three percent of all visits are from residents of Minnesota who live outside of the metropolitan area. Over three percent of all visits are from people who live in other states or countries.

Walking is the top activity in the regional park system (35 percent of all visits involved walking), followed by biking (20 percent), swimming (17 percent) and picnicking (13 percent).

Greater Minnesota Regional Parks

Comprehensive data on number of visitors to Greater Minnesota Regional Parks are not available. LCMR staff surveyed 36 counties and cities on the DNR's list of county- and city-operated regional parks to gather information on parks and trails, visitation, and financing. Of the counties and cities surveyed, 18 (50 percent) responded. (See Appendix M.)

Twelve of the counties and cities responding provided estimates of park visitation for some of the more heavily used regional parks for either 2002 or 2001. (See Table 5.) Generally, visitation estimates were based on the number of campers at a park, number of vehicles entering the park, parking fees collected, or general estimates. Nicollet County uses a pavement tube counter to estimate visitors at its Seven Mile Creek Park.

Table 5: Estimated Visitation for Greater Minnesota Regional Parks, 2001 or 2002		
County / City	Park Name	Number
Olmsted County	Chester Woods Park	80,000
Nicollet County	Seven Mile Creek Park	75,000
Stearns County	Quarry Park and Nature Preserve	60,000
Austin / Mower County	Hormel Nature Center	55,000
Olmsted County	Oxbow Park	50,000
Lyon County	Garvin Park	40,000
Stearns County	Warner Lake County Park	30,000
Chisago County	Fish Lake Park	20,000
Redwood Falls / Redwood County	Alexander Ramsey Park	17,500
Douglas County	Runestone County Park	10,000
Blue Earth County	Bray Park	6,361
Elbow Lake / Grant County	Tipsinah Mounds Park	6,000
Meeker County	Lake Koronis Park	3,500
Lancaster / Kittson County	Wayside Park	904
Total		454,265

Source: LCMR survey of cities and counties with regional parks, Summer 2003..

Information on the regional significance and use of Greater Minnesota regional parks is available from the applications submitted in 2003 for funding through the DNR Regional Park Grant Program. Several examples of the geographic area from which visitors are drawn were presented to the Parks Study Group by DNR staff and are summarized in Appendix E.

d. Economic Impacts

Parks make contributions to the Minnesota economy through visitor trip-related spending and through park operations-related spending, including facility construction and maintenance.⁶ Park visitors spend money in association with their park trip, and this spending fuels economic activity in the areas of the park. The DNR Office of Management and Budget Services has assembled the information and techniques (input-output analysis) necessary to examine the ways in which Minnesota state parks contribute to state and regional economies of the state.

Minnesota State Parks

Based on research by DNR staff, state parks contribute nearly \$218 million annually in total spending to Minnesota's economy. State park visitor spending accounts for \$178 million of this spending. State park operations spending (\$37 million) and capital spending (about \$3 million) make up the difference. Of state park visitor spending, Minnesota visitors spent \$144 million, while non-Minnesota visitors spent \$34 million.

Metropolitan Regional Parks and Trails

The Metropolitan Council does not have primary data on the types of regional park visitors and trip-related spending. Therefore, adjusted DNR spending data has been used to estimate spending by visitors to the metropolitan regional parks.⁷ A total of \$219 million was estimated to be spent in 2001, of which \$147 million was visitor spending, followed by park operations spending (\$61 million) and capital budget spending (\$11 million).

Overall Economic Benefits of Parks

In testimony before the Parks Study Group, staff representing state parks and metropolitan regional parks have emphasized the economic benefits that parks provide to communities. Available literature also discusses a broad range of economic benefits of parks and open space, including providing employment opportunities, sustaining and increasing property values near parks, stimulating economic development, and attracting businesses and jobs to Minnesota.

⁶ Office of Management and Budget Services, Minnesota Department of Natural Resources, Contributions of the Minnesota State Park System to State and Regional Economies, August 2002, p. 1. This research included a survey of park visitors in 2001 to gather information on types of state park visitors (i.e., day users, campers) and trip-related spending.

⁷ Memorandum of October 6, 2003 from Jonathan Vlaming, Metropolitan Council, to Susan Von Mosch, LCMR, and Tim Kelly, DNR.

e. Operations and Maintenance Costs and Sources of Funding

FINDING: State parks rely on the state general fund and lottery-in-lieu revenues for most of its operating revenues (60 percent in SFY 2004). Metropolitan regional parks depend predominantly upon local property taxes (73 percent in CY 2003). The state general fund and lottery-in-lieu revenues accounted for 11 percent of the metropolitan regional parks operating budget in CY 2003.

FINDING: The state park and metropolitan regional park systems both rely on user fees and non-tax revenues (such as transfers from enterprise funds) but in varying amounts. The percent of state park operating costs from these sources is projected to be 40 percent in SFY 2004. The percent of metropolitan regional park operating costs from user fees and non-tax revenues was between 16 and 17 percent in CYs 2002 and 2003.

Table 6 shows the operating budgets for the state park and metropolitan regional parks and trails systems and the percentage of park operating budgets by funding source -- state general fund, lottery-in-lieu, local property taxes, user fees and other non-tax revenues.

Minnesota State Parks

The state park operating budget for the 2004-05 biennium is \$64.4 million, including the Working Capital Account and Douglas Lodge. Table 6 presents information for SFY 2003 actual and 2004 projected spending to capture the effect of recent state park entrance and camping fees increases. The state general fund and lottery-in lieu funds accounted for 60 percent of the state park operating budget in SFY 2004, a decline from 68 percent in SFY 2003. The shift is caused by an increase in entrance and camping fees for the state park system effective July 1, 2003, which increased the proportion of state park spending from user fees to 28 percent in SFY 2004. Combined revenues from user fees and the Working Capital Account (concession revenues, equipment rental, tour fees) and Douglas Lodge are projected to account for 40 percent of the state park spending plan in SFY 2004.

Metropolitan Regional Parks and Trails

The metropolitan regional parks and trails are operated by the 10 regional park implementing agencies who are responsible for owning, operating and maintaining the regional system and financing these activities.⁸ In CY 2002, the actual operations and maintenance expenditures for the metropolitan regional park system were \$63.6 million and in CY 2003 these expenditures are budgeted at \$68 million. Table 6 shows that the metropolitan regional park system depends predominantly on local property taxes (70.1 percent in 2002 and 73 percent projected in 2003).

State general fund and lottery-in-lieu appropriations accounted for 12.6 percent of the metropolitan regional park expenditures in 2002 and 11 percent projected in 2003. In 1985, the Legislature enacted legislation (*Minn. Stat. §473.351*) calling for State funding of at least 40 percent of the operations and maintenance costs of the implementing agencies. State general fund appropriations have financed between 5 percent and 10

⁸ The Metropolitan Council is responsible for system-wide planning and the capital improvement funding process.

percent of O&M costs. In the 2000 legislative session, a portion of the lottery-in-lieu of sales tax was statutorily dedicated for metropolitan regional park system O&M. See Appendix F for a summary of State general fund and lottery-in-lieu appropriations for O&M costs from 1985 to 2003.

Table 6 shows that in 2002 user fees and charges accounted for over 14 percent of the actual O&M costs. When enterprise revenues from non-regional park facilities (such as golf course and ice arena enterprise funds) and other non-tax revenue, that is used to partially finance regional park O&M, is considered this figure increased to 17 percent. In 2003, this figure is projected to account for 16 percent of metropolitan regional park O&M costs.

Greater Minnesota Regional Parks

Information on operations and maintenance financing for regional parks in Greater Minnesota is limited. During the summer of 2003, LCMR conducted a survey of 36 counties and cities on the list of county- and city-operated regional parks compiled by DNR and an ad hoc group of county and city parks staff. Of the counties and cities surveyed, 18 (50 percent) completed the survey. Based on survey responses, O&M costs range from \$1,000 in Sherburne County where maintenance consists of mowing and trail grooming to \$720,000 in Stearns County. The average for O&M costs was about \$157,000 in 2002.

When asked how they financed regional park operating and maintenance costs, 15 (or 88%) responded that they used general local tax revenues, 4 (or 24%) used other revenues, predominantly donations or grants, and 12 (or 71%) relied on user fees primarily from camping and picnic shelter rentals.

f. User Fees and Other Non-Tax Revenues

Managers of state parks and metropolitan regional parks currently charge for entrance into various parks and for camping, shelter/pavilion use, and rental of various facilities and equipment. Table 7 summarizes the types of user fees and charges used in the state park system and for each of the metropolitan regional park implementing agencies. Appendices G and H contain detailed information on these user fees and charges. Some regional parks in Greater Minnesota also charge entrance and camping fees. This information is summarized below, but it represents only those parks that responded to an LCMR survey.

Concession revenues, from park agency-operated concessions or through contracts with private concessionaires, are one component of user fees and charges. Appendix I summarizes concession information for state parks and metropolitan regional parks.

During the LCMR summer trips, members visited several state parks and observed a fully-occupied lakeshore campground at Lake Carlos State Park, toured a group camp site, and heard from park staff about high demand for certain camp grounds (like those near lakes) and group camp sites. Members also talked with staff in Greater Minnesota about the demand for, use of, and potential to rent park facilities, such as pavilions.

FINDING: There are opportunities for managers of state parks, metropolitan regional parks, and regional parks in Greater Minnesota to expand their reliance on user fees.

Minnesota State Parks

FINDING: Entrance and camping/lodging fees for state parks are fairly uniform even when the services, facilities, and demand vary. For instance, campsites with similar amenities cost the same whether in prime locations along a lakeshore or in less demanded locations away from a lakeshore. Fees charged for some facilities, such as group camps, do not appear to reflect market demand

Effective July 1, 2003, the entrance and camping fees for the state park system increased to the "new rate" listed below.⁹ The Legislature estimates that the new fees will generate an additional \$1.29 million in revenues, increasing to nearly 40 percent the share of the annual operating budget generated from user fees and the Working Capital Account and Douglas Lodge.

The new state park fees, effective July 1, 2003, are:

	<u>Old Rate</u>	<u>New Rate</u>
Annual Permit	\$20	\$25
Second Vehicle Permit	\$15	\$18
Daily Permit	\$ 4	\$ 7
Daily Permit for Groups	\$ 2	\$ 5

Handicapped Vehicle Permit rate remains at \$12.

Semi-Modern Camping	\$12	\$15
Rustic Camping	\$ 8	\$11
Horse Camping	\$8 or \$11	\$11 or \$15

(The higher rate is for horse campgrounds with sanitation & shower facilities)

Handicapped Camping (Sunday-Thursday)		
Semi-Modern	\$ 6	\$ 7.50
Rustic	\$ 4	\$ 5.50
State Forest Campground Sites	\$ 9	\$10

The Senior Citizen mid-week, half-price discount has been eliminated.

The \$3.00 rate for electricity remains the same.

In addition, Appendix G contains information on equipment and facility rentals and charges for special tours in selected state parks.

⁹ *Minn. Laws 2003*, Chap. 128, Art. 1, Sec. 45, subd. 1. State law authorizes the Commissioner of DNR to set reasonable fees and charges for using the state parks, including camping fees, rentals, and other services.

Metropolitan Regional Parks and Trails

FINDING: User fees for metropolitan regional parks vary with the local park implementing agency because the governing boards of some park systems have elected to charge entrance fees and others have not. For example, Washington County generates 34 percent of its regional park operating budget from user fees, compared with Ramsey County, which generates seven percent of its regional park operating budget from user fees

The regional park district implementing agencies use a variety of user fees to support regional park operations and maintenance. Table 7 and Appendix H provide information on annual and daily permit fees for some of the regional parks. It also highlights the reciprocity arrangements between Anoka, Carver, and Washington counties and the Three Rivers Park District. In addition to entrance / permit fees, all of the park implementing agencies collect user fees for other activities such as using picnic areas, renting rooms, renting equipment, and camping.

Table 8 shows the variation in the revenues generated from user fees and charges used by the metropolitan regional park implementing agencies. There is also significant variation among agencies in revenue from enterprise funds and other non-tax sources used to support the metropolitan regional park operations.

Greater Minnesota Regional Parks

Of the counties and cities responding to the LCMR survey, three charged an entrance fee to specific high-use parks in their jurisdiction:

1. Chisago County charges \$15 for an annual vehicle permit and \$3 for a daily parking fee on weekends and holidays for Fish Lake Park only;
2. Olmsted County charges \$15 for an annual vehicle permit and \$3 for a daily parking fee for Chester Woods Park only; and
3. Stearns County charges \$14 for an annual vehicle permit and \$4 for a daily parking fee for Quarry Park and Nature Preserve only.

Most of the counties and cities generate revenue from camping and the rental of picnic shelters. Eleven regional parks provide camping and charge camping fees that range from \$5 to \$16 per night for primitive campsites to \$10.50 to \$20 per night for campsites with electricity and water.

Chisago, Meeker, and Stearns counties are the only entities to use concessionaires to provide soft drinks, candy, and snacks at their regional parks.

**Table 8: Metropolitan Regional Park System
Operations and Maintenance Expenditures and
Amount Financed with User Fees and Other Non-Tax Revenues, 2002**

Park Agency	Regional park and trails O&M actual expenditures	Regional park user fees and charges used to partially finance operations and maintenance	Percent of regional park operations and maintenance financed with user fees and charges	Enterprise revenue from non-regional park facilities & other non-tax revenue used to partially finance regional park O&M	Percent of regional park O&M financed with user fees and other non-tax revenue
Anoka County	\$ 5,080,677	\$ 1,250,568	25%	-	25%
Bloomington	\$ 555,885	\$ 53,604	10%	-	10%
Carver County	\$ 664,197	\$ 134,581	20%	\$ 6,500	21%
Dakota County	\$ 3,708,719	\$ 388,273	10%	\$ 87,164	13%
Minneapolis Park and Recreation Board	\$ 12,773,990	\$ 1,625,356	13%	\$ 60,000	13%
Ramsey County	\$ 4,447,043	\$ 301,544	7%	\$ 789,216	25%
St. Paul	\$ 15,239,837	\$ 1,177,524	8%	-	8%
Three Rivers Park District - Hennepin Co.	\$ 18,607,075	\$ 3,438,475	18%	\$ 431,048	21%
Three Rivers Park District - Scott Co.	\$ 1,189,075	\$ 592,712	50%	-	50%
Washington County	\$ 1,321,000	\$ 467,316	34%	\$ 200,000	51%
Totals	\$ 63,587,498	\$ 9,429,955	15%	\$ 1,573,928	17%

Source: Regional park implementing agency reports to the Metropolitan Council as of May 2003.
Compiled by Metropolitan Council, Parks and Open Space Program.

g. Capital Financing

Minnesota State Parks

State park and recreation capital improvement projects (development, rehabilitation and betterment, land acquisition, asset preservation) are financed with state bonds and Legislative Commission on Minnesota Resources appropriations. Between 1991 and 2003, the Legislature invested over \$80 million in state parks for capital purposes. (See Appendix J.)

Metropolitan Regional Parks and Trails

Capital funding for metropolitan regional parks has primarily come from three sources:

1. Regional bonding by the Metropolitan Council;
2. State bonding and the Environment and Natural Resources Trust Fund;
3. Interest income; and
4. Local funding from the park implementing agencies.

In addition to system-wide planning, the Metropolitan Council is responsible for the capital improvement funding process. Council bonds provide 40% matching dollars for state bonds, federal TEA-21 grants, and LCMR appropriations for metropolitan regional park development and land acquisition. Between 1991 and 2003, the Legislature invested over \$110 million in metropolitan regional parks for capital purposes. This funding was matched with over \$58 million in Council general obligation bonds (see Appendix J).

Greater Minnesota Regional Parks

State Support: Regional parks in Greater Minnesota have received the following funding from capital bonding and LCMR Local Initiative Grants in the past. Appendix K contains appropriation language and lists of specific projects funded.

- \$500,000 for Regional Parks in Greater Minnesota from 2000 Capital Bonding to acquire land, design, and construct and redevelop regional parks and trails, open space, and recreational facilities. Each \$3 of state grants must be matched by \$2 of nonstate funds.
- \$700,000 for regional parks outside the metropolitan area in 2001 from LCMR through the DNR Local Initiative Grants Program. These grants require a 40 percent local match.
- \$1,250,000 for regional parks outside the metropolitan area in 2003 from LCMR through the Local Initiative Grants Program. These grants require a 40 percent local match.

In addition, *Minn. Stat. §116P.14*, Federal land and water conservation funds, provides that 50 percent of Federal LAWCON funds shall be for local projects.

3. Examples of Fees Used in Other State Park Systems

This section presents information on how some states and one Canadian province use differential rate structures for annual, daily entrance or camping fees. The examples illustrate how fees can vary, depending on the park, the season of the year, length of annual permit, family size, campground amenities. Information on park fees in other Midwestern states is also presented, as is information about state parks in New Hampshire. The following information is from state web sites.

Nevada State Parks. Annual and daily entrance and camping fees vary depending on the park. Annual entrance permits cost between \$30 and \$75 per

year and are sold to the public for a specific park. Daily park entrance permits are purchased at individual parks and cost from \$2 to \$6 per day, depending on the park. Daily camping permits are purchased at individual parks and cost from \$9 to \$13 per day depending on the park.

Kansas State Parks. Vehicle and camping permits vary by the season of the year, with higher rates charged between April 1 and Sept. 30 and slightly lower rates charged between Oct. 1 and March 31. Examples include:

	April 1-Sept. 30	Oct. 1-March 31
Daily vehicle	\$6.50	\$5.50
Annual vehicle	\$45.50	\$35.50
Daily camping	\$8.00	\$7.00

Utah State Parks. Utah has a \$70 multiple park annual permit, but fees for day use vary by park, ranging from \$5 to \$9. Camping fees vary by campground based on the services available: \$8 with pit or vault toilets; \$11 with flush toilets; \$14 with flush toilets and showers, or electrical hookups; \$17 with flush toilets, showers and electrical hookups; and \$20 with full hookups.

Florida State Parks. Florida charges different rates for annual and daily entrance passes based on family size. The annual entrance pass costs \$30 for individuals and \$60 for families up to a maximum of 8 people in one vehicle. Special Recreation Use Passes, required for boat launching, scuba diving, equestrian activity, cost \$40 for individuals and \$80 for families. The daily entrance fee into most parks is \$3.25 per carload. At selected "honor" parks the daily entrance fee is \$4.

Ontario Provincial Parks. The cost for annual passes varies based on the length of time and season of the year. An annual pass for April 1, 2003-March 31, 2004 costs \$100, a winter pass (Dec. 1, 2003-March 31, 2004) costs \$45, and a summer pass (April 1, 2003-Nov. 31, 2003) costs \$65. Day use fees vary by park and range from \$6.50 to \$12. Within individual parks day use fees also vary by season.

Ontario Parks have three levels of fees for camping -- premium, middle and low. Each fee level reflects the popularity of a campsite and the availability of facilities such as flush toilets and showers, and personal services such as educational programs.

Differential rates for entrance fees are not as common among the Midwestern state park systems examined. Although, Illinois and Ohio do not charge entrance fees, Ohio uses differential fees for premium waterfront camping sites. Wisconsin is the only state with higher entrance and camping fees for non-residents than Wisconsin residents.

Illinois State Parks. The Illinois Department of Natural Resources does not charge an entrance fee to any state-owned or operated land with the exception of Wildlife Prairie Park (a unique 2,000-acre zoological park) and nine sites with beaches. Beaches charge \$1 per day per person for beach use only. Camping fees vary based on the services available. For instance, Class AA sites with

electric, water, sewer, and showers cost \$15 a day and Class D walk-in sites with out services cost \$6 a day

Michigan State Parks. Michigan charges \$20 for annual state park motor vehicle permits and \$4 for daily permits for entrance to all state parks and recreation areas, except five trail state parks. Camping fees vary based on the amenities available, ranging from \$20 a night for modern campsites, with electricity, modern amenities, and pull-through sites for larger vehicles, to \$9 a night for rustic campsites, with vault toilets, hand pump water, and no showers.

Ohio State Parks. Ohio does not charge entrance fees for day-use facilities, such as trails, picnic areas, and beaches at its 74 state parks. Ohio state parks have five different levels of camping fees based on campground amenities. The fees for full service campsites, with electrical, sewer and water hookups, range from \$26 to \$41 per night. Premium campsites, which may be waterfront locations or offer special amenities such as wooden decks and pull-through pads, range from \$20 to \$25 per night. At the bottom end, non-electric camp sites cost between \$12 and \$17 per night.

Wisconsin State Parks. In Wisconsin, the permit fees are the same for all parks and recreation areas. In 2003, Wisconsin had a \$20 annual permit, \$5 daily permit, and a \$1 for a one-hour sticker. Vehicle admission fees are higher for non-residents: \$30 for an annual permit, \$10 for a daily permit. Camping fees vary with campground amenities, day of the week, season, and campers' residency. Camping fees range from \$7 to \$10 per night for Wisconsin residents and from \$9 to \$12 for non-residents.

New Hampshire State Parks. New Hampshire's state park system is unique because it is the only system in the country where revenue from park facilities is intended to equal the operating budget. Since its inception in 1991, the Park Fund has had a net operating income gain for five out of ten years. In 1995, after three consecutive years of net operating deficits, operating expenses were cut 20 percent, resulting in net profits in following years, although 2001 and 2002 had small net losses. Four locations account for half the revenue generated: Cannon Mountain, a downhill ski area in Franconia Notch State Park; Mount Washington State Park, the highest point in the Northeast; the Flume Gorge in Franconia Notch State Park, and Crawford Notch, another state park with significant natural resources.

New Hampshire's 45 state parks have relatively high entrance fees, \$50 individual season pass, which admits one person. Day-use fees are \$3 per day. Camping fees vary by state park, campground and camp site, and range from \$12 per night for rustic sites to \$35 per night for sites with water, sewer, and electric services.

4. Best Management Practices for Parks

Best management practices (BMPs) identify what is working well. BMPs highlight effective and efficient practices for providing services, in this case managing parks, preserving natural resources, and providing open space and recreation services. Managers are encouraged to use the BMPs whenever appropriate. An Australian Government publication on best practices in park management states: "The search for good ideas, or solutions to problems, often leads one to look over the proverbial back fence to see what our neighbor, colleague or competitor is up to."¹⁰

During the LCMR summer tours of state, metropolitan regional, and Greater Minnesota regional parks, parks staff told members about best practices being used in the parks. Examples include: the citizens-friends-volunteer group that supports Glendalough State Park; seed harvesting for prairie restoration also at Glendalough; the pilot, campground reservation software used at Lake Carlos State Park; the wetland septic cell and deep trash cans at Minnewashta Regional Park in Carver County; and the co-location of the Mound Creek Regional Park and the Welner Hegeman Reservoir in Brown County. In addition, Anoka County park staff told members that each fall, after the peak summer season, they tour other parks to identify "new things" and different approaches. The Study Group encourages staff of all Minnesota parks to share best practices and park management information and techniques using a web site, list serv, periodic meetings, or other appropriate methods.

5. Minnesota's State Trail System

FINDING: State and regional parks and trails provide interconnected systems for outdoor recreation opportunities. Discussions of parks and trails should acknowledge this interdependence.

Minnesota's state park and state trail systems are both components of the state outdoor recreation system. State and regional parks and trails provide interconnected systems for outdoor recreation opportunities. Members of the Study Group emphasized the importance of acknowledging this interdependence and meaning "parks and trails" when parks are discussed. The Study Group discussed the following materials with staff from the DNR Trails and Waterways Division.

a. Description / Definition

The Minnesota State Trail system consists of 26 legislatively authorized state trails, of which 18 are developed for public use. The Trails and Waterways Division of the Department of Natural Resources is responsible for planning, developing, operating, and maintaining the state trail system. DNR Field Operations, Management Information Systems, Human Resources and Information and Education provide support services to the division.

There are 1,066 miles of state trail. State trails range in length from 8 miles for the Goodhue Pioneer State Trail to 163 miles for Taconite State Trail. The average trail length is 59.3 miles (see Table 2).

¹⁰ <http://www.deh.gov.au/parks/best-practice/>

State trails are multi-use trails, however, the combination of uses allowed and the pattern of use varies by trail. Several trails are developed primarily for non-motorized uses (Root River, Shooting Star, Gateway). Other trails are non-motorized in the summer and snowmobile trails in the winter (Paul Bunyan, Heartland). Other trails are primarily snowmobile trails (Arrowhead, Taconite and North Shore). Trail surfaces vary to accommodate different types of users: 372.6 miles are paved with asphalt for bicycling and in-line skating, 36 miles are paved with limestone for bicycling, 459 miles are for mountain bicycling, 855.1 miles are available for hiking and walking, 473 miles for horseback riding, 939 for snowmobile and 102.5 are groomed for cross-country skiing.

Amenities provided along state trails include parking areas, toilets, trail orientation and interpretive signing, rest areas with picnic tables and shelters.

b. Authorizing Legislation and Criteria for New State Trails

Minn. Stat. Chap. 85 and 86A, the Outdoor Recreation Act of 1975, authorize and govern the creation and management of the state trail system. The act identifies state trails as part of Minnesota's outdoor recreation system, which is designed to accommodate the outdoor recreation needs of all citizens of Minnesota. The act also designates DNR as the managing agency for these units. According to the act:

A state trail shall be established to provide a recreational travel route which connects units of the outdoor recreation system or the national trail system; provides access or passage through other areas which have significant scenic, historic, scientific, or recreational qualities; or establishes or permits travel along a historically prominent travel route or which provides commuter transportation. (*Minn. Stat.* §86A.05, subd. 4(a))

Minn. Stat. §86A.05, Subd. 4(b) contains the criteria for establishing new trails and states:

(b) No unit shall be authorized as a state trail unless its proposed location substantially satisfies the following criteria:

(1) Permits travel in an appropriate manner along a route which provides at least one of the following recreation opportunities:

- (i) Travel along a route which connects areas or points of natural, scientific, cultural and historic interest;
- (ii) Travel through an area which possesses outstanding scenic beauty;
- (iii) Travel over a route designed to enhance and utilize the unique qualities of a particular manner of travel in harmony with the natural environment;
- (iv) Travel along a route which is historically significant as a route of migration, commerce or communication;
- (v) Travel between units of the outdoor recreation system or national trails system.

(2) Utilizes to the greatest extent possible, consistent with the purposes of this subdivision, public lands, rights-of-way and the like.

(3) Provides maximum potential for the appreciation, conservation, and enjoyment of significant scenic, historical, natural, or cultural qualities of the areas through which the trail may pass.

(4) Takes into consideration predicted public demand and future use.

c. Estimated Visits to Minnesota State Trails

Nine state bicycle trails received 886,000 hours of use between Memorial Day and Labor Day according to summer trail user surveys conducted in 1996, 1997 and 1998.¹¹ The trails surveyed were Douglas, Gateway, Glacial Lakes, Heartland, Luce Line, Paul Bunyan, Root River, Sakatah Singing Hills. Fall, winter, and spring state trail use has not been similarly determined. Visitation for other trails has not been estimated.

Summer use of the trails differs. Based on the survey results, four of the trails had total summer user hours exceeding 100,000 (Gateway, Heartland, Paul Bunyan, and Root River). The Sakatah was nearly 100,000. To compare trail use between trails of different lengths, total user hours are normalized by trail length yielding an intensity of trail use statistic - user hours per trail mile. In terms of summer use intensity, each mile of the Gateway is the highest. After the Gateway Trail, the next most intensively used trails were the Heartland and the Root River, followed by the Douglas and the Paul Bunyan.

Where are visitors from? Survey results show that the Heartland, Paul Bunyan and Root River serve mostly a long distance or tourist market, with between 62 and 71% of the trail users coming from over fifty miles to the trail. Three other trails (Glacial Lakes, Sakatah Singing Hills, Paul Bunyan near Lake Bemidji State Park) serve a mix of local users and tourists. Three of the trails, (Douglas, Gateway and the Luce Line) draw primarily from the local area (within 10 miles of the trail).

Bicycling is the most common summer activity. Other summer activities include walking, in-line skating, and horseback riding. Winter trail use includes snowmobiling, cross-country skiing, walking, and dogsledding.

d. Financial Information for State Trails

The summer operations and maintenance (O&M) budget for state trails was \$729,000 in fiscal year 2004. Winter budget for maintenance and grooming of 2,135 miles of trail was \$1.4 million during the same time period. (The 2,135 miles includes state forest and state park trail mileage in addition to state trail mileage.) State trail O&M costs are financed through the state general fund, lottery in lieu, and dedicated snowmobile funds. No revenues are generated from user fees or other non-tax sources for O&M of state trails

State trail capital development costs have been financed with state capital bonds, LCMR funding, TEA-21 (federal transportation enhancements).

¹¹ Trails and Waterways Division and Office of Management and Budget Services, Minnesota Department of Natural Resources, State Trail Use: Summary of Summer Trail Use and User Surveys Conducted in 1996, 1997, and 1998, July 2000.

POLICY ISSUES

This section contains the conclusions / recommendations of the LCMR Parks Study Group. It also contains a list of the ideas and suggestions from Study Group members that were part of the discussions while developing the outline for the final report, but may not have led to any conclusions or recommendations.

1. Conclusions / Recommendations

- **As part of the Department of Natural Resources' proposed FY 2006-07 budget, the Division of Parks and Recreation should develop suggestions for increasing fees, generating additional revenues, developing new revenue opportunities, and improving efficiency in order to provide for greater self-sufficiency of, while maintaining public access to, the state park system.**

During the LCMR summer trips, members visited several state parks and observed a fully-occupied lakeshore campground at Lake Carlos State Park. Members also saw a group camp site and heard from park staff about the high demand for certain camp grounds (especially those near lakes) and group camp sites. DNR is being asked to examine the rates charged for campgrounds and group campsites in state parks in relation to demand for those sites and access for the public.

- **As part of the Department of Natural Resources' proposed FY 2006-07 budget, the Division of Parks and Recreation should analyze its park operations and develop suggestions for implementing differential fees based on popularity of a state park, peak season, location of a campsite (i.e., lakeside or not). DNR should present the results of this analysis to the environmental finance committees during the 2005 legislative session.**

One component of the DNR's review and evaluation of state park fees should include a review of differential entrance, camping, and other state park fees. This report contains several examples of other states that use differential fees. For instance, Ohio state parks charges a high fee for "premium campsites" which may be waterfront locations or offer special amenities such as wooden decks and pull-through park pads.

- **Encourage managers of Metropolitan Regional Parks and Trails and Greater Minnesota regional parks to develop suggestions for increasing fees, generating additional revenues, developing new revenue opportunities, and improving efficiency in order to provide for greater self-sufficiency of, while maintaining public access to, the metropolitan regional park system and Greater Minnesota regional parks.**

In the metropolitan regional parks system, the local park implementing agencies use a variety of user fees to support regional park operations and maintenance costs. There is wide variation in the percent of O&M costs financed with user fees and charges. In Greater Minnesota regional parks reliance on user fees is

less prevalent, even when there is high demand for some facilities, such as pavilions.

- **Encourage managers of state parks, metropolitan regional parks and trails, and Greater Minnesota regional parks to explore the use of electronic scanners, bar code cards and other technologies to track where park permits are purchased and where they are used.**

The Study Group heard from many park managers about the difficulty of collecting entrance fees and determining the origin of visitors. Exploring the use of new technologies could solve some of those problems.

- **Consider state funding for all regional parks in areas of the state where a large part of the population does not have proportional access to nearby state parks. Regional parks in Greater Minnesota that are in areas of the state where a large part of the population does not have proportional access to nearby state parks should be considered equivalent to Metropolitan regional parks.**

Encourage counties and cities in Greater Minnesota to coordinate the development and management of regional parks, such as the Central Minnesota Regional Parks and Trails Plan (for Benton, Sherburne, and Stearns counties) for planning and prioritizing park operations, management, estimating attendance/visit data, and land acquisition.

- **Encourage all parks and trails managers (in state parks, metropolitan regional parks, and Greater Minnesota regional parks) to develop and share information on best practices and innovative ideas for managing parks, trails, and open space using a web site, list serv, periodic meetings, or other appropriate methods.**

2. Other Issues Considered by the Study Group

Part way through the review of park operations and maintenance financing, Study Group members were asked to provide their thoughts on items to be included in the final report. This section contains the ideas and suggestions of the Parks Study Group members that were discussed while developing the final report, but may not have led to any conclusions or recommendations. The ideas and suggestions are organized in the following categories: 1) Overall, 2) Financing issues and options, 3) User fees, 4) Camping and campsites, 5) Suggestions to park operating agencies, 6) Trails, 7) Priorities, 8) Additional policy considerations. Suggestions that may be beyond the scope of the study group are also listed. Appendix L contains items that were removed from the outline because they contain unresolved conflicts.

1. Overall:
 - a. Whenever parks are mentioned, it should mean parks and trails to fit with contemporary usage.

2. Financing Issues and Options:
- a. Is there a current "funding model" somewhere in state government that can be adopted for parks funding? (i.e. school finance K-12) [May be beyond the scope of this study.]
 - b. Adopt a funding model from another state and do park fee differentials that vary by season / park demand and popularity.
 - c. All park funding from LCMR should be looked at in terms of the Environmental Trust Fund requirements.
 - d. The existing model for support of state parks and metro regional parks funding is a good start. The other existing models for local park funding and local environmental funding are also good.
 - e. Current trail grant program and funding for Greater Minnesota regional parks.
 - f. Make sure that any Study Group recommendation would not transfer existing funding from one park system to another park system. Increase funding for non metropolitan regional park systems, but not at the expense of taking money from state parks or metropolitan regional parks.
 - g. Need to look at providing increased financial assistance for state parks, metropolitan regional parks and non metropolitan regional parks through statewide or regional fees and taxes. Charging fees at individual parks, especially those fees necessary to make the park self sufficient, may not be feasible in many cases.
 - h. Need to determine if any additional state or regional financial assistance will be in the form of capital assistance or operating assistance or both. If additional capital assistance is recommended, it needs to be determined how it fits within existing programs that provide assistance to local and regional park and trail grant programs.
 - i. O and M for Greater Minnesota regional parks should be provided if such funding is going to continue to be provided to metro regional parks. There should be some proportionality in the level of funding. The definition of a regional park that has been used for the grant program generally seems to be a reasonable measure for what qualifies as a regional park.
 - j. To date, the State of Minnesota has supported non-state and non-metro parks only with funds to acquire and develop recreational facilities. This relationship differs from the metro area in that State operating and capital funds are provided for metro parks. As a matter of State policy, non-metro regional parks that serve the same function as metro regional parks should be treated similarly by the State. However, county park directors believe that state financial support for acquiring and developing recreational facilities should be a higher priority than operating and maintenance assistance.

- k. Acquisition of regional park land in Greater Minnesota is probably a higher priority than O and M. However, in the interest of fairness, O and M should also be provided if it is going to be continued for metro regional parks.
 - l. If the Commission recommends statewide or regional operating assistance to nonmetropolitan regional parks, the Study Group should address the method for allocating funding to the parks. State and regional funding for metropolitan regional parks is allocated through Metropolitan Council; no similar structure exists for the nonmetropolitan regional parks
 - m. If the Study Group recommends additional funding for nonmetropolitan regional parks, criteria for inclusion of nonmetropolitan regional parks in the system should be examined. Criteria exist that were developed by the DNR for nonmetropolitan regional park improvement grants but policy makers may want to take a look at making changes in the criteria with the increased funding.
 - n. Applying the same match requirement to non-metro parks as for metro parks is not appropriate when the State-local financial relationship is not the same. Maintaining the current match requirement of 40 percent local funds is appropriate if State financial support is expanded to include operating and maintenance funds. If the current practice of only providing capital funds continues, then the local match requirement should be modified.
 - o. Encourage partnerships and matching dollars (electrical utility grants) and "enterprise" activities like the wave pool.
 - p. All beneficiaries of the parks should help in their acquisition/upkeep costs. This includes hunters. Even if parks are closed to hunting they are most important habitat reservoirs; i.e., they feed and protect a lot of birds and mammals that get harvested elsewhere.
 - q. Put more requirements for help on our local partners. For example other owners of property around a lake with a public park should be required to take actions to improve water quality before their community is given additional funds for parkland/trail acquisition.
3. User Fees:
- a. All parks (state down) need to make better decisions about fees and services. There is nothing wrong with charging a higher fee for an easy to use reservation system and a higher level of access. Most people would rather pay a fee than stand in difficult lines (actual or telephone).
 - b. Base fees on user benefits. Campers with direct benefits pay a large share (90%) of their cost; while natural resource preservation, which benefits the public, is paid for by the state.
 - c. Encourage reciprocity.
 - d. Consider fees for use of horse trails; consider adding services, like dog parks, and charging to use these areas.

4. Camping and Campsites:
 - a. LCMR funded project: computerized camping reservations
 - b. Campsites: the numbers should correlate with the demand (add extra sites) while still maintaining natural resources and protecting ecosystems.
 - c. Examine the rates charged for group campsites in state parks in relation to demand for those sites.
5. Suggestions to Park Operating Agencies:
 - a. Enforcement of entrance and camping fees: staff to collect fees during busy times (when cost effective) and honor boxes at other times. Plus, "spot-check" enforcement with fines
 - b. Volunteer opportunities: Encourage parks to do "friends of" / volunteer groups to help in the parks and to contribute to parks with donations, memorials or gifts in their wills.
 - c. Revamp state park reservation system and fees (\$8.50) to keep the revenues within the state and the state park system (using state employees). Consider level of service - are customers given alternatives during peak season and during fall and spring with campground closings?
 - d. Use technology for vehicle entry-permit fees (bar code cards, electric scanners like those used for toll roads), which would track where the permits are purchased and where used.
 - e. Encourage partnerships and matching dollars (electrical utility grants) and "enterprise" activities like the wave pool.
 - f. Have an annual "park summit" where they all share information and best management practices.
 - g. Less grass mowing and more prairie grass.
 - h. Collect more data about visitor origin in Greater Minnesota Regional Parks.
6. Trails:
 - a. It is important to have connections with trails.
 - b. For trails, increasing connectivity and filling in gaps should be a major priority. Also paving trails where usage for in line skaters and the disabled would seem to indicate a need.
 - c. Discuss the use of wheel passes, such as the ones used on the Cannon Valley and Mesabi trails.
7. Priorities:
 - a. Acquisition in threatened places that serve multiple purposes should be a highest priority. (This includes almost any land with significant waterfront.)

- b. Encourage and support the Department of Natural Resources' high priority of resolving existing septic system problems in Minnesota's state parks and recreation areas. In addition, attention should be given to addressing problems with septic systems located outside state parks but that affect state parks.
8. Additional Policy Considerations:
- a. Give suggestions on updates for law changes to reflect the policy changes the Study Group will have (473.351 and others)
 - b. A recommendation as to how much of the operational and capital support of the three different types of parks should come from the state, how much from user fees, how much from local governments, and how much from other sources. It may be necessary to further subdivide these categories - for example rural regional parks may need to be divided between those in suburbanizing areas adjoining the seven county metro area, those in or near regional centers, and those in deep rural Minnesota.
 - c. Central Minnesota has a regional parks and trails council enshrined in Minnesota statutes similar in parks function to that of the Met Council. No other area of the state has such an organization. There should be some discussion as to whether other areas of the state should be encouraged to have such organizations.
 - d. State park managers at each state park should be given more authority to be entrepreneurial. We should maintain certain standard fees at the same level across all state parks, such as entry fees and basic camping fees, so users can have a certain uniform expectation for each park. However, managers at each state park should be allowed to charge additional fees beyond this base for nicer campsites or other services they provide, and then keep those revenues for use in that park instead of being forced to send them back into the system.
 - e. There are some state parks that also serve as virtual city parks for some cities in Greater Minnesota, complete with soccer fields and other similar amenities. Perhaps funding of regional parks in Greater Minnesota in these areas should be less since the state is already taking over a portion of the local park function.

Suggestions that may be beyond the scope of this study group:

- a. Explore other revenue options to support parks -- popularity of birding and a fee on birdseed.
- b. An estimate of how much more in additional user fees could be provided for the different types of parks
- c. Economic Impact: Standardize the formula of economic impact by visitors.

- d. Explore shifting areas of responsibility and/or financing. Could Minn. DOT maintain the eight state waysides that are currently the responsibility of DNR State Parks? Could funding from K-12 education support environmental education activities in metro. regional parks?
- e. Regulations: Explore getting exemptions from regulations required of park agencies, such as the pilot's license required to operate the Hill Annex Mine tour boat.
- f. Historic buildings. Examine the costs of maintaining historic buildings and explore options.

RESOURCES

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