

# Fiscal Year 2015-16 Capital Construction Request

## Natural Resources — Parks and Wildlife

*Land and Water Acquisitions, Wildlife Areas*

### PROGRAM PLAN STATUS

1995-042

Approved Program Plan?  Yes

Date Approved:

### PRIORITY NUMBERS

Prioritized By	Priority
Dept/Inst	1 of 4
OSP/B	N/A of 47

Recommended for funding from cash sources.

### PRIOR APPROPRIATION AND REQUEST INFORMATION

Fund Source	Prior Approp.	FY 2015-16	FY 2016-17	Future Requests	Total Cost
CF	\$44,300,000	\$9,300,000	\$9,300,000	\$27,900,000	\$90,800,000
CFE	\$33,500,000	\$0	\$0	\$0	\$33,500,000
<b>Total</b>	<b>\$77,800,000</b>	<b>\$9,300,000</b>	<b>\$9,300,000</b>	<b>\$27,900,000</b>	<b>\$124,300,000</b>

### ITEMIZED COST INFORMATION

Cost Item	Prior Approp.	FY 2015-16	FY 2016-17	Future Requests	Total Cost
Land Acquisition	\$71,800,000	\$9,300,000	\$9,300,000	\$27,900,000	\$118,300,000
Professional Services	\$0	\$0	\$0	\$0	\$0
Construction	\$6,000,000	\$0	\$0	\$0	\$6,000,000
Equipment	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0	\$0	\$0
Contingency	\$0	\$0	\$0	\$0	\$0
Software Acquisition	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$77,800,000</b>	<b>\$9,300,000</b>	<b>\$9,300,000</b>	<b>\$27,900,000</b>	<b>\$124,300,000</b>

### PROJECT STATUS

This is an ongoing request. Cash funds spending authority has been granted for the project each year since FY 1994-95, except for FY 2000-01 and FY 2001-02. In FY 2013-14, CPW closed on the following five properties:

- Campbell State Wildlife Area Conservation Easement, acquired by Trust for Public Land (640 acres; \$450,000);
- Secret Canyon SHA 3dP – RFP (Fury Parcel) Conservation Easement, acquired by Montezuma Land Conservancy (640 acres; \$186,000);
- Lazy V Quarter Circle Ranch State Wildlife Area Perpetual Public Access Easement (320 acres; \$400,000);
- Segelke-Carey Ranch Fee Title Acquisition (614 acres; \$1,750,000); and
- Tamarack Ranch State Wildlife Area Fee Title Acquisition (80 acres; \$250,000).

**Annual expenditures report.** In accordance with Section 24-30-1303, C.R.S., CPW submitted its annual report of capital project expenditures to the committee on September 15, 2014. This report addresses all spending during FY 2013-14 and spans several fiscal year appropriations. The report is included in the Department of Natural Resources section of the FY 2015-16 requests binder.

# Fiscal Year 2015-16 Capital Construction Request

## Natural Resources — Parks and Wildlife

*Land and Water Acquisitions, Wildlife Areas*

### PROJECT DESCRIPTION / SCOPE OF WORK

The Department of Natural Resources, Colorado Parks and Wildlife (CPW), is requesting cash funds spending authority to acquire interests in real property through a competitive bidding process. The purpose of the ongoing request is to protect, preserve, enhance, and manage wildlife and the environment for the use, benefit, and enjoyment of the people of Colorado and its visitors. In addition to protecting critical wildlife habitat for game species, CPW's efforts also include protecting and maintaining the habitat and population of a variety of non-game species, including special status species such as those identified as Species of Greatest Conservation need by the State Wildlife Action Plan, state and federal threatened and endangered species, and other conservation priority species that are included in state or regional plans.

The request also allows CPW to option land and water in order to hold property until it can be acquired through the statutorily authorized process or through a separate bill. Under Parks and Wildlife Commission policy, the purchase of easements is preferred over fee title purchases when CPW acquires property.

Priorities for acquiring interest in property are guided by CPW's Strategic Plan, Real Estate Plan, and Colorado Wildlife Habitat Protection Program (CWHPP). CPW indicates that CWHPP priorities for the request include big game winter range and migration corridors (with an emphasis on sagebrush, mountain shrub, pinyon-juniper, oakbrush, and aspen habitats) and riparian and wetland habitats. Specific acquisitions have not yet been identified.

Under the CWHPP, CPW invites property owners to submit proposals through a request for proposals (RFP) process to convey property to CPW. CPW identifies the locations and types of habitat land in which it is interested. Proposals are then reviewed and evaluated by CPW. Proposals are also reviewed by the Habitat Stamp Committee if these proposals involve the use of Habitat Stamp funds. The Parks and Wildlife Commission reviews the proposals, decides which proposals should be pursued, and authorizes CPW to proceed to negotiate a purchase and sale agreement. Before entering into a contract for purchases costing more than \$100,000 or exceeding 25 years in duration, the Parks and Wildlife Commission is statutorily required to present the proposal to the Capital Development Committee (CDC) for its review and comment. The Parks and Wildlife Commission may not complete the transaction without considering the recommendations of the CDC, as long as the CDC comments within 30 days of receiving the proposal.

**Request to waive six-month encumbrance deadline.** This project includes a request to waive the six-month encumbrance deadline. CPW explains that the RFP process and prioritization take several months to generate a project list that is presented to the Parks and Wildlife Commission in November of each year. Subsequently, the due diligence and negotiations with landowners can take six months to over a year. This waiver is required for fee title acquisitions only.

### PROJECT JUSTIFICATION

CPW says changes in Colorado's demographics and population growth, with associated impacts caused by development, have and will continue to present the division with difficult challenges in managing wildlife and wildlife habitats. Growth in energy exploration and development has added to these challenges. Protecting, preserving, enhancing, and managing wildlife and their environment is a major objective of its FY 2015-16 Performance Plan. CPW says land and water acquisition plays an important role in protecting and maintaining the habitat and population of a variety of Colorado's game and non-game species. It also says that wildlife-related recreation is an important part of Colorado's tourism economy. Specific goals associated with this request include:

- minimizing listings under the federal Endangered Species Act / Prevented Federal Listings;
- ensuring that game species meet specific population targets; and
- ensuring Colorado hunting and fishing opportunities remain attractive to both resident and non-resident hunters and anglers.

**Project alternatives.** CPW lists the following alternatives to the project:

(1) *Not acquire land and/or water.* According to CPW, while this alternative would be more economical, it would not allow CPW to support Colorado's wildlife through the provision of appropriate habitat. Property acquisition is an

# Fiscal Year 2015-16 Capital Construction Request

## Natural Resources — Parks and Wildlife

### *Land and Water Acquisitions, Wildlife Areas*

essential part of CPW's efforts to protect the habitat of both game species and threatened and endangered species. It is essential for CPW to meet critical goals, such as providing hunting and fishing recreation in Colorado and preventing species from being listed under the federal Endangered Species Act. The long-term failure to acquire properties and protect wildlife habitats may result in the decline of game and non-game species in the state. Decline of species could have an impact on tourism and the economic benefits of hunting and fishing. CPW says if additional species are listed under the federal Endangered Species Act, it may result in more restrictive land and water use policies; and

(2) *Acquire property through other means.* In some instances, habitat can be protected, enhanced, or restored through operating leases, management agreements, and landowner incentive programs, all of which CPW says it uses. In some cases, these alternatives are not as cost-effective as acquiring a permanent easement or fee title to a property. The CPW also notes that property can be acquired through special legislation, but this can result in delays that significantly impact CPW's ability to negotiate a purchase.

### PROGRAM INFORMATION

CPW seeks to acquire land to protect, preserve, enhance, and manage wildlife and the environment. For wildlife purposes, as of July 1, 2014, the division controls a total of 393,434 acres by fee title, 194,531 acres by perpetual conservation easement, 91,389 acres by perpetual public access easement, 35,508 acres of public access through existing conservation easements, and 194,875 acres by third-party perpetual conservation easement, and manages, as both lessor and lessee, 182,071 acres by leasehold interests. In addition, the division leases 485,227 acres from the State Land Board for hunting and fishing access. These figures do not reflect areas operated as state parks.

### PROJECT SCHEDULE

	Start Date	Completion Date
Planning	July 2015 - June 2017	The completion of land and water transactions will vary depending on the outcome of the negotiations for each individual parcel.
Acquisition	July 2015 - June 2018	

### HIGH PERFORMANCE CERTIFICATION PROGRAM

No state funds were requested for the project so it is not required to comply with the provisions of Senate Bill 07-051 regarding the High Performance Certification Program.

### SOURCE OF CASH FUNDS

The source of cash funds for the project is the Wildlife Cash Fund, created in Section 33-1-112 (1)(a), C.R.S., and funds received from Great Outdoors Colorado (GOCO). Of the total \$9.3 million requested, \$5.5 million is from the Wildlife Cash Fund and \$3.8 million is from GOCO funds.

Revenues accrue to the Wildlife Cash Fund through the sale of licenses, including hunting and fishing licenses and Habitat Stamps. The current fee for this stamp is \$10. The estimated fund balance at the end of FY 2013-14 is \$7.9 million, and the fund is projected to have a balance of \$7.2 million at the end of FY 2014-15. As of June 30, 2014, CPW has collected a total of \$41.4 million in Habitat Stamp sales since its inception.

In FY 2014-15, the GOCO Board awarded \$3.8 million in Wildlife Purpose funds to CPW to support Land and Water Acquisitions. In FY 2015-16, the Division anticipates requesting \$3.8 million for the same purpose.

The division also has statutory authority to receive and expend grants, gifts, and bequests, including federal funds, for authorized purposes pursuant to Section 33-10-107 (1)(e), C.R.S. Should federal funding become available for the project, it will be used to offset the use of the appropriated cash funds, not to increase the overall project cost. The

# Fiscal Year 2015-16 Capital Construction Request

## Natural Resources — Parks and Wildlife

### *Land and Water Acquisitions, Wildlife Areas*

division says this will allow it to make the most efficient use of available funding, streamline administrative contract management, and preserve cash funds.

#### OPERATING BUDGET

Since properties to be obtained under this line item have not yet been identified, CPW says quantifying operating impacts is impossible. The division says any significant additional operating impacts will be addressed through its operating budget request. The division notes that it usually absorbs minor operating expenses, and no decision item related to increased operating costs associated with land and water acquisitions has been submitted in recent history.

#### STAFF QUESTIONS AND ISSUES

1. Why has the request under this line item decreased from \$11.3 million to \$9.3 million?

*For most of the last decade, expenditures in the Wildlife Cash Fund have exceeded revenues. This shortfall has been financed by drawing down the Wildlife Cash Fund reserve. The Wildlife Cash Fund reserve (defined as current assets minus current liabilities) declined from \$42 million at the end of FY 2006-07 to \$13 million at the end of FY 2013-14. This cannot continue indefinitely, and in November 2013 the Parks and Wildlife Commission adopted a plan aimed at reducing wildlife cash fund expenditures by \$10 million annually. One component of this plan is to reduce annual expenditures on habitat acquisition through the RFP program by \$2 million each year, from \$11.3 million to \$9.3 million. The source of funds for this \$2 million reduction is \$1 million in habitat stamp and \$1 million in GOCO funds.*

2. For FY 2014-15, the division anticipated requesting \$4.8 million of Wildlife Purpose funds from GOCO, but the GOCO board only awarded \$3.8 million. Why was a lesser amount awarded?

*For FY 14-15, the GOCO Board awarded \$3.8 million for habitat acquisitions because that is the amount the division requested. The division's FY 14-15 capital construction request was submitted to the General Assembly in the fall of 2013. At that same time the division was developing a plan to reduce Wildlife Cash Fund expenditures by \$10 million annually (see previous response). That plan was adopted by the Parks and Wildlife Commission in November 2013. The final plan included a reduction of \$2 million in habitat acquisitions, involving \$1 million in habitat stamp funds and \$1 million in GOCO funds. The division submitted its FY 2014-15 investment proposal, upon which GOCO grant awards are based, to the GOCO Board in the spring of 2014. This was after the \$10 million reduction plan was adopted. The GOCO Investment Proposal reflected the \$1 million reduction in habitat acquisitions; the division's FY 2014-15 capital request to the General Assembly did not. The GOCO Board approved \$3.8 million for habitat acquisitions, which is what the division's Investment Proposal requested.*

3. Does the division anticipate being awarded less than requested for this fiscal year?

*No, the division anticipates being awarded what will be requested this year. The reduction only relates to GOCO dollars awarded for acquisitions, not the total of all of the money awarded to CPW.*

# Fiscal Year 2015-16 Capital Construction Request

## Natural Resources — Parks and Wildlife

### *Park Infrastructure and Facilities*

#### PROGRAM PLAN STATUS

2011-023

Approved Program Plan?

Yes

Date Approved:

April 1, 2014

#### PRIORITY NUMBERS

**Prioritized By**

**Priority**

Dept/Inst

2 of 4

OSP/B

N/A of 47

Recommended for funding from cash sources.

#### PRIOR APPROPRIATION AND REQUEST INFORMATION

<u>Fund Source</u>	<u>Prior Approp.</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>Future Requests</u>	<u>Total Cost</u>
CF	\$54,549,692	\$8,831,377	\$0	\$0	\$63,381,069
FF	\$12,702,337	\$798,561	\$0	\$0	\$13,500,898
HUTF	\$600,000	\$0	\$0	\$0	\$600,000
<b>Total</b>	<b>\$67,852,029</b>	<b>\$9,629,938</b>	<b>\$0</b>	<b>\$0</b>	<b>\$77,481,967</b>

#### ITEMIZED COST INFORMATION

<u>Cost Item</u>	<u>Prior Approp.</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>Future Requests</u>	<u>Total Cost</u>
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$11,278,881	\$1,235,954	\$0	\$0	\$12,514,835
Construction	\$52,440,901	\$7,556,425	\$0	\$0	\$59,997,326
Equipment	\$0	\$356,062	\$0	\$0	\$356,062
Miscellaneous	\$0	\$0	\$0	\$0	\$0
Contingency	\$4,132,247	\$481,497	\$0	\$0	\$4,613,744
Software Acquisition	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$67,852,029</b>	<b>\$9,629,938</b>	<b>\$0</b>	<b>\$0</b>	<b>\$77,481,967</b>

#### PROJECT STATUS

This is an ongoing request. Cash funds spending authority has been granted for the project each year for the last five years. An update on the status of projects funded under this line item for the past three years is available upon request from Legislative Council Staff.

**Adjustment to spending authority amount requested by department.** The flooding and massive damage to infrastructure that occurred in September 2013 led the department to postpone a number of the capital projects listed in last year's request documents, including the Phase 5B Road project at Chatfield State Park (\$1,211,248), the boat ramp replacement at Yampa State Park (\$212,872), the toilet replacement at State Forest State Park (\$264,600), the shelter construction at Steamboat State Park's Bridge Island (198,450), the shade shelters at Yampa State Park (\$296,504), and the campground reconstruction at Arkansas Headwaters State Park (\$772,800). These projects are listed in the FY 2015-16 request for approval. However, since cash funds spending authority has already been approved through the 2014 Long Bill for these projects (\$2,956,474), Legislative Council Staff reduced the FY 2015-16 funding request by an amount equal to those projects approved for FY 2014-15 and delayed until FY 2015-16.

# Fiscal Year 2015-16 Capital Construction Request

## Natural Resources — Parks and Wildlife

### *Park Infrastructure and Facilities*

#### PROJECT DESCRIPTION / SCOPE OF WORK

The Department of Natural Resources, Colorado Parks and Wildlife (CPW), is requesting cash and federal funds spending authority to maintain, restore, and improve its dams, park facilities, and infrastructure. The project supports the following CPW objectives:

- to maintain a system of parks across the state that offers diverse outdoor recreation opportunities, protects high quality landscapes for current and future generations, and fosters resource education; and
- to ensure Colorado state parks remain affordable, provide excellent customer service, and provide safe, high-quality park facilities.

The projects included in this request have been divided into the following categories:

**Roads.** The division is requesting funds to repave about two miles of road at Boyd Lake State Park (\$934,834).

**Dam maintenance.** The division is requesting funds to repair two high hazard dams and for annual dam maintenance projects in the State Parks (\$1,832,825). The two high hazard dams in need of repair are the Willow Creek outlet tower at Steamboat Lake State Park and Sylvan Lake Dam at Sylvan State Park. The Willow Creek dam does not meet current seismic or lateral load criteria. This request includes design and construction at approximately \$1.0 million. The Sylvan Lake dam has an undersized spillway. This request includes the design component estimated at \$0.5 million. Construction costs are estimated at \$5.0 million to \$6.0 million and will be requested through a future budget request. The division is also requesting \$332,825 for ongoing dam maintenance projects, such as removing vegetation growth, purchasing satellite monitoring equipment for remote dams, and performing construction as necessary.

**Infrastructure.** The division is requesting \$4,451,031 for 15 infrastructure projects, including:

- upgrading 27 campsites with individual water and sewer hook-ups in the B-Loop Campground at Chatfield State Park (\$385,875);
- developing a new parcel of land including roads, a boat ramp, a toilet, and picnic facilities at Arkansas Headwaters State Park (\$216,696);
- improving facilities, such as tables and shelters, at 31 campsites within Island Acres Campground Loop A at Colorado River State Park (\$422,500);
- upgrading the maintenance complex, including a new shop and additional covered storage, at Eleven Mile State Park (\$728,200);
- upgrading the wastewater treatment facility at Eleven Mile State Park (\$359,030);
- installing a break water system to minimize shoreline erosion at Jackson State Park (\$170,940);
- extending the West Boat Ramp at John Martin State Park (\$420,000);
- repairing the fishing pier at John Martin State Park (\$236,500);
- redeveloping the entrance building at Mancos State Park (\$295,680);
- upgrading the electrical pedestals at the Pa-Co-Chu-Puk Campground at Ridgeway State Park (\$511,526);
- upgrading the water treatment plant to modify the brine disposal system at Rifle Gap State Park (\$472,500);
- maintaining and refurbishing the water distribution system at Steamboat Lake State Park (\$261,635);
- reconstructing the water intake at Steamboat Lake State Park (\$281,197); and
- constructing a camper services building (including toilets and showers) at Chatfield State Park (\$900,000).

**Small projects.** The division is requesting funds for other miscellaneous and unanticipated repair, improvement, and construction projects that typically cost between \$50,000 and \$150,000 to address a wide variety of maintenance issues that emerge during any given fiscal year (\$1,000,000).

**Fixed furniture and fire ring replacement.** The State Park System has over 4,300 individual campsites and numerous picnic sites. Each of these has fixed furniture, such as picnic tables, fire pits, and grills. In order to keep these essential amenities up to visitor expectations, they need to be replaced on a regular basis. This request replaces approximately 4 percent of the inventory and will be an ongoing request (\$200,000).

# Fiscal Year 2015-16 Capital Construction Request

## Natural Resources — Parks and Wildlife

### Park Infrastructure and Facilities

#### PROJECT JUSTIFICATION

The project addresses the division's park infrastructure needs statewide. The division says maintaining and improving basic park facilities is an important part of sustaining a solid visitation base and generating the revenue necessary to cover the majority of day-to-day operating costs for the state park system. Infrastructure is designed to enhance the outdoor recreation experience of visitors. The majority of infrastructure facilitates access to state park property, while other infrastructure is designed to promote outdoor recreation. The division says it is necessary to keep its recreational facilities well-maintained in order to meet its statutory charge to promote outdoor recreation, and to protect public health and safety. Failure to maintain state park infrastructure will likely decrease visitation, reduce CPW's cash revenue stream, and decrease the economic impact state parks provide to local economies.

According to CPW, components of its system are over 50 years old and in need of ongoing repair, renovation, and replacement. Furthermore, CPW says that it needs to add new and diverse features to the existing system in order to improve the aesthetic appeal of many state parks and to increase visitation. CPW says it depends on the revenue earned from visitors to pay its operating expenses. The projects included in this request will address the following:

- degraded roads posing traffic problems and safety issues, as well as erosion, vehicle damage, and other associated issues;
- high-hazard dams, which could impact public health and safety;
- inadequate access to boating and fishing opportunities;
- lack of potable water at some state parks;
- inadequate treatment of wastewater;
- potential electrical hazards;
- failing park amenities, which may result in reduced park visits;
- potential loss of equipment due to weathering or vandalism; and
- regulatory compliance, including ADA compliance and agreements with the federal government.

#### PROGRAM INFORMATION

See Project Description / Scope of Work section.

#### PROJECT SCHEDULE

	Start Date	Completion Date
Design	July 2015	Varies
Planning	July 2015	Varies
Construction	July 2015	Varies

The department explains that the time frame for completion of each project under this line item is dependent on factors such as physical location, weather, and length of construction season.

#### HIGH PERFORMANCE CERTIFICATION PROGRAM

No state funds were requested for the project so it is not required to comply with the provisions of Senate Bill 07-051 regarding the High Performance Certification Program.

#### SOURCE OF CASH FUNDS

The source of cash funds for the projects is lottery funds (\$6,235,917) and Great Outdoors Colorado (GOCO) funds (\$2,295,460), as authorized by Article XXVII of the Colorado Constitution; the Highway Users Tax Fund (\$300,000), created in Section 43-4-201 (1)(a), C.R.S.; and federal funds (\$798,561).

CPW and the United States Army Corp of Engineers have a cost share agreement for Cherry Creek State Park and

## Fiscal Year 2015-16 Capital Construction Request

### Natural Resources — Parks and Wildlife

#### *Park Infrastructure and Facilities*

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Chatfield State Park. These two parks are located on federal land and leased by CPW. This agreement stipulates that when design or construction occurs on park facilities and infrastructure that increase recreational opportunities, the Army Corp and CPW share the costs associated with the repair, replacement, and/or modernization of these facilities.

#### OPERATING BUDGET

The division says the road project will reduce operating costs associated with fixing and patching roads, while the infrastructure and small projects have no impact on state operating costs.

#### STAFF QUESTIONS AND ISSUES

1. Please provide more detail on the entrance redevelopment project at Mancos State Park. Will there be a new building constructed or will the old building be renovated?

*The plan for the entrance redevelopment is to construct a small facility (approximately 1,000 sf) that would combine administrative services for Mancos and Lone Mesa State Parks. Currently, retail sales occur in a shed. This facility would encompass space suitable for parks pass sales, registration and permit issuance, licensing services, aquatic nuisance species inspection, firewood sales, and other retail activity. This project would include minimal parking spaces developed for customers.*

# Fiscal Year 2015-16 Capital Construction Request

## Natural Resources — Parks and Wildlife

*Infrastructure and Real Property Maintenance, Wildlife Areas*

### PROGRAM PLAN STATUS

2011-026

Approved Program Plan?  Yes

Date Approved:

### PRIORITY NUMBERS

Prioritized By	Priority
Dept/Inst	3 of 4
OSP/SPB	N/A of 47

Recommended for funding from cash sources.

### PRIOR APPROPRIATION AND REQUEST INFORMATION

Fund Source	Prior Approp.	FY 2015-16	FY 2016-17	Future Requests	Total Cost
CF	\$4,353,457	\$3,564,934	\$900,000	\$1,800,000	\$10,618,391
<b>Total</b>	<b>\$4,353,457</b>	<b>\$3,564,934</b>	<b>\$900,000</b>	<b>\$1,800,000</b>	<b>\$10,618,391</b>

### ITEMIZED COST INFORMATION

Cost Item	Prior Approp.	FY 2015-16	FY 2016-17	Future Requests	Total Cost
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$874,415	\$0	\$0	\$0	\$874,415
Construction	\$3,278,047	\$3,564,934	\$900,000	\$1,800,000	\$9,542,981
Equipment	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0	\$0	\$0
Contingency	\$200,995	\$0	\$0	\$0	\$200,995
Software Acquisition	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$4,353,457</b>	<b>\$3,564,934</b>	<b>\$900,000</b>	<b>\$1,800,000</b>	<b>\$10,618,391</b>

### PROJECT STATUS

This is an ongoing request. Cash funds spending authority has been granted for the project each year for the last five years. In FY 2013-14, this line item was appropriated \$300,000. In FY 2014-15, \$900,000 was appropriated. For the past three years, CPW has requested reduced spending authority for this line item compared to previous years. The division says, in FY 2015-16, it will begin addressing maintenance and improvement issues that have been delayed for the past three years to avoid higher costs for maintenance and repair.

**Annual expenditures report.** In accordance with Section 24-30-1303, C.R.S., CPW submitted its annual report of capital project expenditures to the committee on September 15, 2014. This report addresses all spending during FY 2013-14 and spans several fiscal year appropriations. The division has expended \$1,651,830 of \$2,050,647 appropriated during the reporting period, or 80.6 percent for this line item. The full report is appended to the CPW section of the FY 2015-16 requests binder.

### PROJECT DESCRIPTION / SCOPE OF WORK

The Department of Natural Resources, Colorado Parks and Wildlife (CPW), is requesting cash funds spending authority to address dam maintenance and to rehabilitate and improve infrastructure and facilities. This project includes maintenance, enhancement, or replacement of a wide variety of existing physical assets, such as: dams, fish hatchery infrastructure, primitive and improved roads, bridges, and irrigation infrastructure.

# Fiscal Year 2015-16 Capital Construction Request

## Natural Resources — Parks and Wildlife

*Infrastructure and Real Property Maintenance, Wildlife Areas*

This year's request will commit \$600,000 to fund dam maintenance and safety projects statewide, and \$2,964,934 to address 36 maintenance and repair projects. The dam maintenance activities include removing vegetation growth, purchasing satellite monitoring equipment for remote dams, making minor repairs, performing video inspections of dam conduits, and performing construction as necessary. Additionally, the division has two dams currently restricted by the State Engineers Office. These are located at Two Buttes Reservoir and Zimmerman Lake. The FY 2014-15 request enabled the division to widen the spillway at Two Buttes Reservoir. This request will continue work on the spillway and replace the outlet works gates. Zimmerman Lake is a vital resource for breeding native cutthroat trout. The dam has been neglected and needs to be replaced to remain a functional facility. This request will develop design and construction documents for the re-build of the dam. The 36 maintenance and repair projects include improvements to several shooting ranges, state wildlife areas, service centers, dams, fish hatcheries, and state fishing units.

CPW's Asset Maintenance and Repairs Program (in the operating fund) also addresses infrastructure and real property maintenance at wildlife areas. This program is primarily funded with moneys from the Wildlife Cash Fund. However, the purpose of the Asset Maintenance and Repairs Program appropriation differs from this project request. Per Section 24-75-112, C.R.S., and OSPB budget instructions, individual projects addressed with the Asset Maintenance and Repairs Program are primarily maintenance in nature and generally under \$50,000. The Asset Maintenance and Repairs Program includes an assessment of CPW's total facility inventory, condition, and potential risk to health, life, and safety. Projects submitted for funding under the Asset Maintenance and Repairs Program are selected by CPW based on a statewide condition assessment and risk process. The overall goal of these projects is to maintain the division's existing facilities to a "C" grade or better.

For the most part, the projects related to this budget request are not controlled maintenance in nature. However, there are three projects in the FY 2015-16 request that could be considered controlled maintenance. They are:

- Lone Cone State Wildlife Area (SWA) - Bunkhouse White Cabin - Floor Repair and Crawl Space Venting (\$10,000);
- Miller Ranch SWA - White Sided House and Barn - Floor, Cistern, and Barn Repair (\$50,000); and
- Banner Lakes SWA - Pond 10 & 13D Repairs (\$47,750).

The first two projects were added to this request because there is more need for controlled maintenance projects than there is funding available in the Asset Maintenance and Repairs line item. The Banner Lakes SWA project has not been inventoried but still requires maintenance. Water delivery infrastructure on SWAs (e.g., ponds, ditches, head gates, diversion structures) are not commonly inventoried.

### PROJECT JUSTIFICATION

According to the division, funding for ongoing maintenance needs at its facilities statewide is essential to meeting critical goals, such as providing hunting and fishing recreation in Colorado. The division also emphasizes that delays in funding these projects could result in further deterioration, continued inability to provide customer service, a loss in property value, and increased safety hazards. Specifically, the failure to repair or improve dams may necessitate lower water storage levels. Lower water levels could impact the fisheries and recreational opportunities at the reservoirs. Those structures determined to be dangerous may be required to be drained and the dam could be breached, which would lead to a loss of key fisheries, wildlife, and aquatic habitat. Further, breaching a dam is often more expensive than maintaining it. CPW notes that maintaining dams will help to avoid more costly repairs in the future.

The division explains that a reduction in customer service could lead to reduced hunting and fishing recreation. CPW says reduced hunting and fishing recreation would not only reduce revenues, but may impact state and local economic tourism benefits associated with these activities. Hunting, fishing, and wildlife viewing activities provide a total economic impact to the state of approximately \$5.0 billion annually (including secondary impacts) and support an estimated 33,800 jobs in Colorado.

Furthermore, CPW says this project aligns with the following strategic priority from 2014 Path Forward plan:

Strategic Priority 2, Objective 3: Promote the stewardship of properties managed by CPW through proactive

# Fiscal Year 2015-16 Capital Construction Request

## Natural Resources — Parks and Wildlife

*Infrastructure and Real Property Maintenance, Wildlife Areas*

management and sound planning to minimize impacts and keep resources intact for future generations.

### PROGRAM INFORMATION

According to the division, the projects included in this request are selected based on mission priorities, the nature of the work, and the impact of delaying or not repairing the structure. This year's request funds maintenance of the 110 dams managed by the division. The division notes that most of the dams it owns are 50 years old and several are over 100 years old. Inspections are performed yearly on high-hazard dams and every two years on significant-hazard dams. The division recently initiated a Screening Level Risk Analysis (SLRA) to identify and categorize the risk for all of its dams. The SLRA determines failure modes, analyzes consequences of dam failures, and provides a matrix to identifies dams that are at a high level of risk.

### PROJECT SCHEDULE

	Start Date	Completion Date
Planning Phase	July 2015	Varies
Construction	May 2016	Varies

The department explains that the time frame for completion of each project under this line item is dependent on factors such as physical location, weather, and length of construction season.

### HIGH PERFORMANCE CERTIFICATION PROGRAM

No state funds were requested for the project so it is not required to comply with the provisions of Senate Bill 07-051 regarding the High Performance Certification Program.

### SOURCE OF CASH FUNDS

The source of cash funds for the project is the Wildlife Cash Fund, created in Section 33-1-112 (1)(a), C.R.S, and possible federal dollars. Revenues to the Wildlife Cash Fund accrue to the fund through the sale of licenses, including hunting and fishing licenses and Habitat Stamps. The fund balance at the end of FY 2013-14 was \$7.9 million, and the fund is projected to have a balance of \$7.2 million at the end of FY 2014-15. The division has statutory authority to receive and expend grants, gifts, and bequests, including federal funds, for authorized purposes pursuant to Section 33-10-107 (1)(e), C.R.S. Should federal funds become available for the project, the division may replace its cash funds spending authority with federal funds so long as the total appropriation for the line item is not exceeded.

### OPERATING BUDGET

This project has no impact on state operating costs.

### STAFF QUESTIONS AND ISSUES

All responses to staff questions were incorporated into the project write-up.



# Fiscal Year 2015-16 Capital Construction Request

## Natural Resources — Parks and Wildlife

*Land and Water Acquisitions, State Parks*

### PROGRAM PLAN STATUS

2011-024

Approved Program Plan?  Yes  No      Date Approved:

### PRIORITY NUMBERS

Prioritized By	Priority	
Dept/Inst	4 of 4	
OSP/B	N/A of 47	Recommended for funding from cash sources.

### PRIOR APPROPRIATION AND REQUEST INFORMATION

Fund Source	Prior Approp.	FY 2015-16	FY 2016-17	Future Requests	Total Cost
CF	\$7,750,000	\$950,000	\$950,000	\$2,850,000	\$12,500,000
<b>Total</b>	<b>\$7,750,000</b>	<b>\$950,000</b>	<b>\$950,000</b>	<b>\$2,850,000</b>	<b>\$12,500,000</b>

### ITEMIZED COST INFORMATION

Cost Item	Prior Approp.	FY 2015-16	FY 2016-17	Future Requests	Total Cost
Land Acquisition	\$7,750,000	\$950,000	\$950,000	\$2,850,000	\$12,500,000
Professional Services	\$0	\$0	\$0	\$0	\$0
Construction	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0	\$0	\$0
Contingency	\$0	\$0	\$0	\$0	\$0
Software Acquisition	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$7,750,000</b>	<b>\$950,000</b>	<b>\$950,000</b>	<b>\$2,850,000</b>	<b>\$12,500,000</b>

### PROJECT STATUS

This is an ongoing request. Cash funds spending authority has been granted for the project each year for the last five years. See Program Information section for details about recent acquisitions.

**Annual expenditures report.** In accordance with Section 24-30-1303, C.R.S., CPW submitted its annual report of capital project expenditures to the committee on September 15, 2014. This report addresses all spending during FY 2013-14 and spans several fiscal year appropriations. The division has expended \$490,905 of \$1,509,922 appropriated during the reporting period, or 32.5 percent for this line item. The full report is appended to the CPW section of the FY 2015-16 requests binder.

### PROJECT DESCRIPTION / SCOPE OF WORK

The Department of Natural Resources, Colorado Parks and Wildlife (CPW), is requesting cash funds spending authority to purchase lands adjacent to state parks to provide a buffer between park lands and new development, and to acquire water for recreational purposes at various state parks. The FY 2015-16 request addresses acquisitions for two programs: the Water Resources Program and the Property Acquisitions Program.

**Water Resources Program.** The Water Resources Program addresses water management plans at 43 state parks. The division acquires water through conventional water purchases, water options and leases, cooperative

# Fiscal Year 2015-16 Capital Construction Request

## Natural Resources — Parks and Wildlife

### *Land and Water Acquisitions, State Parks*

agreements, and the lease or purchase of storage space in reservoirs. CPW is requesting \$600,000 for the Water Resources Program for FY 2015-16, including \$240,000 in lottery funds and \$360,000 in Great Outdoors Colorado (GOCO) funds. The spending priorities for these moneys were identified and ranked according to park users' demand for water-dependent recreation, cost effectiveness, and revenue impact. CPW has identified the following water acquisition priorities for FY 2015-16, listed by state park:

- Arkansas Headwaters State Park (up to 500 acre-feet (AF) from the Town of Ordway);
- Cherry Creek State Park Reservoir (up to 500 AF of reusable wastewater from the City of Aurora);
- Lake Pueblo State Park (up to 1,000 AF of storage space in Pueblo Reservoir from the United States Bureau of Reclamation); and
- John Martin Reservoir State Park (leases in various amounts from a variety of city entities).

**Property Acquisitions Program.** The Property Acquisitions Program allows CPW to identify and acquire lands of critical resource value that buffer state parks from residential and commercial development or that constitute private in-holdings within a park. It also allows CPW to protect resources that are important to the maintenance of plant and animal habitat and provision of additional recreation opportunities for visitors. CPW is requesting \$350,000 in GOCO funds for the Property Acquisitions Program in FY 2015-16. According to CPW, it maintains a prioritized plan to purchase buffer lands and private in-holdings for parks statewide. Where possible, it acquires conservation easements in order to minimize costs and to allow for productive uses of adjacent lands. In other cases, a fee title acquisition may be more attractive, especially where the intent is to open land to recreational use. According to CPW, it evaluates properties adjacent to existing state parks as they become available for sale or easement based on cost, property value, zoning, and the availability of matching funds. CPW is in the process of reviewing and updating the criteria for prioritizing property acquisitions. The current draft utilizes six prioritization criteria with a high, medium, or low ranking. The six criteria are: location (inholding, ownership, size, ease of management, and adjacent use); preservation value (unique features and recreational value); costs (acquisition, development, and operation and maintenance); partners; funding source(s); and revenue potential (public use).

## PROJECT JUSTIFICATION

CPW says that it engages in an ongoing, annual effort to acquire water for recreational purposes at certain parks. The division says it is essential to keep sufficient water for recreational purposes in order to meet the demand of park visitors. According to CPW, about 75 percent of state parks have either a reservoir or river as their feature attraction. CPW maintains there is a direct link between adequate water levels for recreation and the amount of revenue earned from park visitors, making maintenance of water levels a high priority for the division. The division says that if it does not address water needs on an ongoing basis, then the water levels in state-managed reservoirs and streams may drop significantly and water quality may be degraded, which would negatively impact the natural environment, park visitation, and CPW revenues.

CPW explains that it is necessary to purchase land adjacent to or within existing park property in order to create a buffer between park lands and new development and to protect wildlife habitat. According to CPW, many state parks were purchased with the funds available at the time of initial development, which resulted in an incomplete land base that is insufficient for visitor needs and resource protection. CPW says population growth experienced by Colorado over the past ten years, combined with projected state population growth of 15 percent by 2020, makes buffer acquisitions critical to maintaining the outdoor recreation infrastructure necessary to serve the citizenry. CPW also says that if this project is not funded, it would make the overall management of state parks more difficult and would inhibit CPW's ability to accomplish its outdoor recreation mission.

Furthermore, CPW says this project aligns with the following strategic priority from 2014 Path Forward plan:

Strategic Priority 1, Objective 4: Operate, maintain, and enhance park resources and services to meet visitor needs and enrich the Colorado State Parks experience.

## PROGRAM INFORMATION

CPW has maintained an active Property Acquisition Program since the 1980s. The following properties have been purchased from this line item over the past three years:

# Fiscal Year 2015-16 Capital Construction Request

## Natural Resources — Parks and Wildlife

### *Land and Water Acquisitions, State Parks*

- Farmers Irrigation Company (\$6,300) – Harvey Gap – 2013;
- Trinidad Lake 5 year lease (\$3,500) – 2014; and
- Pink House Property Lease (\$27,000) – Arkansas Headwaters Recreation Area – 2014.

The Water Resources Program was established in 1984 to provide a means to protect water levels at Cherry Creek Reservoir. Since then, the program has grown to include water management plans for 43 state parks. In addition to acquiring water through conventional water rights purchases to augment inadequate water levels related to recreational needs at state parks, CPW also pursues water options and leases, cooperative agreements with water users, and leasing or purchase of storage space in reservoirs.

### PROJECT SCHEDULE

	Start Date	Completion Date
Verify Priorities, Identify and Match Properties	July 2015	June 2018
Appraisals, Environmental Reviews, Close Sale	July 2015	June 2018
Purchase Water Rights or Acreage	July 2015	June 2018

### HIGH PERFORMANCE CERTIFICATION PROGRAM

No state funds were requested for the project so it is not required to comply with the provisions of Senate Bill 07-051 regarding the High Performance Certification Program.

### SOURCE OF CASH FUNDS

The source of cash funds is \$240,000 from lottery funds and \$710,000 from GOCO moneys, as authorized by Article XXVII of the Colorado Constitution. The division has statutory authority to receive and expend grants, gifts, and bequests, including federal funds, for authorized purposes pursuant to Section 33-10-107 (1)(e), C.R.S. Should federal funding become available for the project, it will be used to offset the use of the appropriated cash funds, not to increase the overall project cost. The division says this will allow it to make the most efficient use of available funding, streamline administrative contract management, and preserve cash funds.

### OPERATING BUDGET

This project has no impact on state operating costs.

### STAFF QUESTIONS AND ISSUES

All responses to staff questions were incorporated into the project write-up.