



INDUSTRIAL COMMISSION OF NORTH DAKOTA

OUTDOOR HERITAGE FUND

Governor APPENDIX T
Jack Dalrymple
Attorney General
Wayne Stenehjem
Agriculture Commissioner
Doug Goehring

Executive Director
Karlene Fine

Budget Section
September 24, 2014
Wade Moser, Chairman, Outdoor Heritage Fund (OHF) Advisory Board

Thank you for the opportunity to provide a summary of the activities of the North Dakota Industrial Commission and the Outdoor Heritage Fund Advisory Board (Board).

House Bill No. 1278 became law on August 1, 2013 and on September 13, 2013 Governor Jack Dalrymple appointed the following 12 voting and 4 non-voting members of the Board as prescribed by the law with representation from conservation, agriculture, energy, outdoor recreation and business interests:

- Eric Aasmundstad, North Dakota Farm Bureau
- Randy Bina, ND Recreation and Parks Association
- Dr. Carolyn Godfread, Conservation at-large
- Jon Godfread, Great North Dakota Chamber
- Blaine Hoffman, ND Petroleum Council
- Dr. Tom Hutchens, Ducks Unlimited
- Robert Kuylen, North Dakota Farmers Union
- Jim Melchior, Lignite Energy Council (Vice Chairman)
- Wade Moser, ND Stockmen's Association (Chairman)
- Kent Reiersen, Conservation at-large
- Patricia Stockdill, Pheasants Forever
- Dan Wogsland, ND Grain Growers Association

Ex-officio:

- Larry Kotchman, State Forester
- Terry Steinwand, Game and Fish Department
- Rhonda Vetsch, ND Association of Soil Conservation Districts
- Mark Zimmerman, ND Department of Parks & Recreation

The Board immediately went to work and developed an application process and established the deadlines for five rounds of applications during the 2013-2015 biennium:

- Grant Round 1 - December 2, 2013
- Grant Round 2 - April 1, 2014
- Grant Round 3 - August 1, 2014
- Grant Round 4 - November 3, 2014
- Grant Round 5 - April 1, 2015

The Industrial Commission/Outdoor Heritage Fund website was set up and can be accessed at <http://www.nd.gov/ndic/outdoor-info/page.htm>. This website provides a link to the law, the application process, all the applications received and a listing of the funding awards by Grant Round.

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The law states:

The Commission shall use the fund to provide grants to state agencies, tribal governments, political subdivisions, and nonprofit organizations to:

Directive A. Provide access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;

Directive B. Improve, maintain, and restore water quality, soil conditions, plant diversity, animal systems, and to support other practices of stewardship to enhance farming and ranching;

Directive C. Develop, enhance, conserve, and restore wildlife and fish habitat on private and public lands; and

Directive D. Conserve natural areas for recreation through the establishment and development of parks and other recreation areas.

Following the first round, after consultation with legislators, the Board recommended to the Industrial Commission that the Board/Commission would not give consideration to the following projects except in exceptional circumstances:

- Projects that are already completed;
- Projects that are on-going (Phased projects would be considered);
- Staffing;
- Feasibility studies;
- Annual maintenance;
- Paving projects for roads and parking lots;
- Swimming pools;
- Non-permanent equipment (such as tractors, snowmobiles);
- Research;
- Projects where the applicant is not directly involved in the project.

As background here is how the application process works:

- Initial review by Industrial Commission staff of applications for errors.
- All applications are posted on the Industrial Commission/Outdoor Heritage Fund website.
- Review by Board members of all applications for technical questions.
- Review by OHF Technical Committee (Technical Committee is made up of the ex-officio non-voting members of the Board) and to provide answers to technical questions.
- Board members score each application (a copy of the scoring sheet is available on the website).
- A Board meeting is held where each applicant is given ten-minutes to present their application and to respond to questions from the Board members.
- Board votes and recommends applications for funding. There may be conditions or contingencies placed on the recommended funding.
- Industrial Commission acts on Board recommendations.
- Industrial Commission enters into contracts with the successful applicants.

Attached is a listing of the applications receiving funding and a map with the locations of the projects. Here are some statistics about the applications received for the first three rounds:

- Grant Round 1 - 76 applications were received totaling \$34,639,011; two were withdrawn and 74 applications were considered by the Board. Of those 74 applications 17 applicants received funding at various levels in the total amount of **\$5,848,133**.

- Grant Round 2 - 26 applications were received totaling \$6,811,491; of those 26 applications 17 applicants received funding at various levels in the total amount of **\$2,509,428**.
- Grant Round 3 - 27 applications were received with one being withdrawn leaving a total of \$13,014,343 being considered by the Board. Of those 26, 14 applicants received funding at various levels in the total amount of **\$5,752,839**.

In addition attached is a summary of statistics on the funding awards. In total the Industrial Commission has awarded \$14,110,400 of funding in the first three rounds. This \$14 million will be leveraged with other funding sources for a total of \$73,337,336 being expended over the next ten years on the directives established by the Legislature. Some of the projects will be fully funded within the next year with some drawing down their funding awards over a 10-year time frame.

Mr. Chairman and members of the Budget Section, this concludes my report. Thank you for the opportunity to present this information on the Outdoor Heritage Fund. I will be happy to answer any questions at this time.

Grant Round 1 - December 2, 2013

Number	Major Directive	Additional Directives	# of Directives	Title	Applicant	OHF Funding Request	Total Project Cost	Summary	Industrial Commission Approved Funding
001-A	B	None	1	Sheyenne River Sedimentation Reduction Project	Barnes County Soil Conservation District	\$200,000	\$957,000	Project is designed to provide technical, financial and educational assistance to all agriculture producers and landowners with riparian acreage and/or upland cropland at high risk of erosion within the Sheyenne River watershed in Barnes County. Goal is to restore the aquatic life uses and to maintain the recreational uses of the Sheyenne River and its tributaries.	\$126,000
001-B	D	B	2	Community Outdoor Fitness Park	Minot Family YMCA	\$50,000	\$466,492	Provide a new park for the citizens of Minot to enjoy the outdoor environment; offer an outdoor recreational opportunity for the citizens of Minot focused on health and fitness; conserve and enhance the natural outdoor landscape of this 3 acre park.	\$45,000
001-J	B	C	2	Antelope Creek Wild Rice Corridor Watershed Restoration Project	Richland Soil Conservation District	\$220,000	\$977,000	Restore the recreational uses of the impaired reaches of the Antelope Creek and Wild Rice River. Offer cash share match to encourage landowners /participants to replace the declining field windbreaks in Richland County.	\$105,000
001-N	B	None	1	Ransom County Water Quality Improvement Project	Ransom County Soil Conservation District	\$450,000	\$1,600,000	To restore the recreational and aquatic uses of the Sheyenne and Maple River watersheds in Ransom County. This will be accomplished by containing livestock manure runoff from 5 animal feeding operations in Ransom County and implementation of nutrient management plans for each operation.	\$115,000
001-T	D	A, B, C	4	Trailhead / Neighborhood Park	Bismarck Parks and Recreation District	\$313,960	\$627,920	The 15.6-acre trailhead/neighborhood park being planned will serve local residents with approximately 3.5 acres being developed for recreation and 12 acres being conserved as natural habitat for native bird nesting and wildlife observation.	\$105,000
001-W	C	A, B, D	4	Artificial Nesting Habitat Improvement	Spirit Lake Nation Fish and Wildlife Department	\$5,565	\$5,565	Building and placing nesting boxes for game and non-game species of birds	\$5,565
001-FF	C	A, B, D	4	LSC 20,000 trees by 2020	Ludden Sportsmen Club	\$130,000	\$181,000	20,000 new live trees growing on 4 parcels of ground in 2020.	\$50,000
001-II	B	A, C, D	4	The Marcus Friskop Nature Center	Hankinson Public School	\$297,850	\$378,960	The Marcus Friskop Nature Center will provide intergenerational, year-round educational opportunities focusing on the environment, including restoration and protection of plant and wildlife ecosystems.	\$30,000

001-KK	C	A, B, D	4 Warwick Dam - Modification & Rehabilitation (State Water Commission Project No. 0240)	Eddy County Water District	\$95,002	\$272,152	Repair of the existing dam by installing sheet piling and rock rip-rap. Plan incorporates a fish passage design.	\$55,000
001-LL	C	A, B, D	4 Aquatic Habitat Infrastructure Enhancement	Ducks Unlimited, Inc.	\$800,000	\$934,218	Restore, develop and enhance aquatic habitats located on privately and publicly owned and managed lands in ND. Construction of dams, dikes, levies and emergency spillways, installation of water control structures and development of water conveyance systems. Five probable sites have been identified. If completed will enhance and restore 549 acres of aquatic habitat.	\$322,000
001-QQ	C	A, B, D	4 Natural Resource Stewardship in North Dakota's Parks, Preserves and Natural Areas	ND Parks & Recreation Department	\$274,344	\$645,987	Provide hands-on assistance to manage, protect and enhance ND prairies, woodlands, plant and animal species of concern & natural areas ensuring a healthy environment	\$129,000
001-TT	A	B, C, D	4 ND Game & Fish Department Outdoor Heritage Habitat Initiative	ND Game & Fish Department	\$2,000,000	\$2,733,000	Assist the ND Game & Fish Department in fulfilling its mission by protecting, conserving and enhancing fish and wildlife habitat on private lands through the PLOTS and SOL programs. Impact on 4,600 acres -- 3,000 PLOTS & 1,600 through SOL.	\$1,900,000
001-VV	B	C	2 ND Statewide Conservation Tree Planting Initiative	ND Association of Soil Conservation Districts	\$2,500,000	\$4,875,033	Engage stewards to embrace conservation practices that promote the ecological services trees provide. Focus on encouraging and providing financial assistance to implement agroforestry practices in ND including farmstead, feedlot and field windbreaks; forestry, wildlife and riparian plantings, buffers, and living snow fences.	\$1,878,000
001-AAA	B	A, C, D	4 Enhanced Grazing Lands & Wildlife Habitat (Phase 1)	Ducks Unlimited, Inc.	\$1,500,000	\$3,665,820	Enroll 20,000 additional grassland acres in the Environmental Quality Incentive Program over the next year, while offering increased public access on approximately 3,750 acres.	\$828,000
001-JJJ	D	A, B	3 Trail Restoration & Improvement Program	ND Parks & Recreation Department	\$132,456	\$242,629	Enhancing recreational use and access through the construction of sustainable trails and easement acquisition in the Turtle Mountains and Sheyenne River Valley.	\$112,000
001-MMM	C	B	2 ND Hen House Project I	Delta Waterfowl	\$60,530	\$65,030	Establish 200 new Hen Houses (each with 10 year maintenance agreements)	\$34,000
001-RRR	A	B	2 Mapping of Tribal Land for Sportsmen	Spirit Lake Nation Fish and Wildlife Department	\$8,568	\$8,568	Mapping of the Spirit Lake Reservation and the management units so maps could be provided to sportsmen. Also updating the computer system used for mapping.	\$8,568
GRI Total					\$9,038,275	\$18,636,374		\$5,848,133

Grant Round 2 - April 1, 2014

Number	Major Directive	Additional Directives	# of Directives	Title	Applicant	OHF Funding Request	Total Project Cost	Summary	Industrial Commission Approved Funding
GR2-09	D	A	2	Centennial Park Woodland Trail and Souris River Recreational Access Plan	Minot Park District Foundation	\$551,000	\$634,000	Provide access and develop two trail segments to the Centennial Park and Souris River Recreational area - Three-quarter mile looped aggregate trail from visitor parking area to an improved shoreline fishing area & seasonal fishing pier & one-mile loop mowed trail with removable floating segment over an existing oxbow.	\$305,000
GR2-05	D	None	1	City of Munich Playground Equipment Fund	City of Munich - City Park	\$45,000	\$109,329	New Playground Equipment	\$45,000
GR2-25	D	A,C	3	Beulah Bay Campground Expansion & Conservation Project	Beulah Park District	\$53,212	\$74,212	Expand campground to include nine individual camping sites for RV's and 14 camping sites for RV's for group camping. New tree plantings(300+ mature trees and shrubs). Purchasing 30 picnic tables	\$42,120
GR2-15	D	None	1	North Dakota 4-H Camp	North Dakota 4-H Foundation	\$18,768	\$23,673	Provide 3 native and butterfly gardens; inspiration area (campfire ring, shingles for chapel, benches; 1.5 miles of walking trails.	\$18,768
GR2-16	D	None	1	Downtown River Access for Grand Forks Greenway	City of Grand Forks	\$75,000	\$100,000	Replace a path down to the river with the installation of concrete stairs, removable railing, concrete platforms and bank stabilization.	\$75,000
GR2-12	D	B,C	3	Northern Cass Pass	Hunter/Arthur JPA Park Board	\$138,876	\$185,171	Build a multi-use, non-motorized 6-mile path from the south edge of Arthur north to the City of Hunter. This funds Phases 1 & 2 of a 4 phase project totaling \$2,221,465.	\$138,876
GR2-03	B	None	1	Bald Hill Creek Watershed Project	Griggs County Soil Conservation District	\$300,000	\$880,665	OHF funds will be used strictly to reduce the landowners cost of implementing best management practices to meet the overall goal of restoring the aquatic life uses and to maintain the recreational uses of the Bald Hill Creek and its tributaries.	\$300,000
GR2-11	B	C	2	Stutsman County Manure Management Project	Stutsman County Soil Conservation District	\$800,000	\$2,900,000	Restore & maintain recreational and aquatic uses to priority water bodies in Stutsman County through the proper handling of livestock wastes through either spreading out winter feeding areas (30 winter rotational grazing/feeding systems) and addressing Animal Feeding Operations (5 full Manure Management Systems).	\$300,000

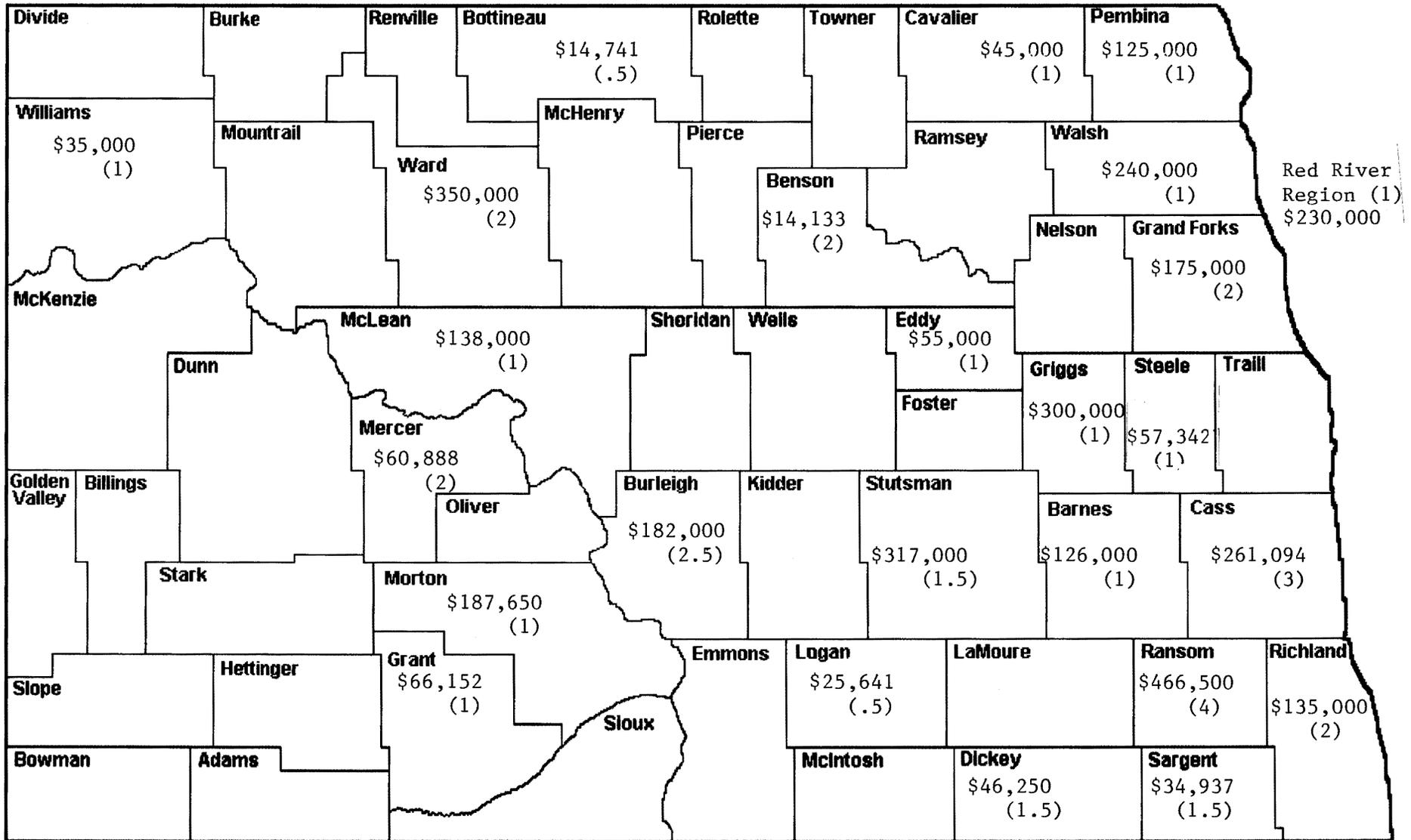
GR2-07	B	None	1 Red River Riparian Project	Red River Regional Council	\$230,000	\$568,394	OHF Funds will be used to solely supplement cost share to landowners for projects that will enhance riparian areas and improve water quality in the targeted watersheds of the Middle Sheyenne, Forest and Park Rivers.	\$230,000
GR2-17	B	A,C	3 Turtle Creek Watershed Project Water & Habitat Initiative	South McLean County Soil Conservation District	\$138,000	\$1,263,072	Funds will be used to provide a portion of the non-federal match for Best Management Practices (BMP) that mitigate impact of animal feeding operations, create additional non-aquatic habitat in addition to improving water quality of surface water or preserve the integrity of existing or newly established riparian ecosystems within the Turtle Creek watershed	\$138,000
GR2-14	A	C	2 Blacktail Dam Association	Blacktail Dam Association	\$75,000	\$105,100	Install a lift station, two fishing docks, tree replacement/plantings	\$35,000
GR2-10	A	B,C	3 Prairie Project	United Prairie Foundation Inc	\$640,300	\$842,300	Secure 300 PLOTS acres on which local origin native prairie plants will be grown for seed that will be harvested and used to restore other prairie land.	\$300,000
GR2-13	A	B,C,D	4 Pheasant Lake Fishing access/Shoreline Restoration Project	Dickey County Park Board	\$21,250	\$42,500	Implementation of a rock texas crossing at the west tributary; Remove excess plant material/cattails covering 300 feet of shoreline. Erosion barrier and riprap would be placed along shoreline. Installation of an accessible fishing pier/dock	\$21,250
GR2-02	C	A,D	3 South Golden Lake Inlet Beautification Project	Golden Lake Improvement Association	\$67,342	\$74,342	Dredge channel, remove scrub brush, smooth and shape shoreline and then planting of over 400 trees	\$57,342
GR2-04	C	B	2 Water Storage Piggyback	ND Natural Resources Trust	\$300,000	\$400,000	Provide a complementary program to existing water storage programs by providing funding to participants for the loss of agricultural production from the lands that will be underwater. Will provide the agricultural production loss payment and incentivize landowners to participate in the local, state, federal and non-governmental water retention programs. Create approximately 500 surface acres of water storage.	\$300,000
GR2-23	C	B	2 Conservation of Grasslands and Long-billed Curlews on Private Lands in SW North Dakota	American Bird Conservancy	\$29,322	\$213,930	Funds will be used to implement conservation practices on private lands that enhance habitat for grassland birds while providing sustainable agricultural practices. Fencing and native seed costs & travel costs	\$29,322
GR2-22	B	A,C	3 North Dakota Pollinator Partnership	Pheasants Forever, Inc.	\$173,750	\$292,879	Funds will be used to pay for the increased cost associated with customized and optimal seed mixes for pollinators on newly established 30-year Wetland Reserve Program (WRP) and used to upgrade existing WRP contracts which are currently dominated by stands of monotypic cover. Will include best practices of site preparation, seed, seeding, and clipping in order to establish high diversity plantings. Impact on 1,250 acres of WRP acres	\$173,750
GR 2 Total					3,656,820	8,709,567		\$2,509,428

Grant Round 3 - August 1, 2014 Deadline

Number	Major Directive	Additional Directives	# of Directives	Title	Applicant	OHF Funding Request	Total Project Cost	Summary	Industrial Commission Approved Funding
GR3-03	B	C	2	Wild Rice River Restoration & Riparian Project Phase II	Wild Rice Soil Conservation District	\$9,937	\$33,125	Improve, maintain and restore water quality, soil conditions through best management practices. The best practice being proposed is the use of the tool -- Light Detection and Ranging (LIDAR) technology and includes the establishment of vegetative riparian buffer zones. Outdoor Heritage Fund dollars would be used to partially pay for an easement to develop and implement 363 acres (approximately 10 miles) of riparian easement along the Wild Rice River	\$9,937
GR3-06	D	A,B,C	4	Graner Park Bank Stabilization	Morton County Parks	\$187,650	\$250,200	Bank stabilization project which includes re-shaping of 1,175 feet of Missouri River bank at a 2:1 slope, installation of engineered geotextile fabric and placement of rip-rap to prevent further erosion	\$187,650
GR3-07	D	A, C	3	Ryan Lake Fishing and Recreation Development Project	Grand Forks Park District	\$200,015	\$290,005	This project seeks to dredge the lake, restore and stabilize the shoreline and develop the Ryan Lake recreation area for expanded, year-round use by area sports enthusiasts. OHF funding to be used for dredging and slope stabilization.	\$100,000
GR3-08	D		1	Public Use Fishing Docks at Lake Metigoshe and Beaver Lake State Parks	ND Parks & Recreation Department	\$40,382	\$53,842	Purchase and installation of two fishing docks to be located at Beaver Lake and Lake Metigoshe State Parks and an upgrade of a current dock at Beaver Lake State Park.	\$40,382
GR3-010	C	A, D	3	Lake Tschida's Wildlife Conservation Planting, Recreation Project Walking Trail, Bird Observatory and Playground Rest Area	Tri-Cities Joint JDA	\$66,152	\$92,969	Create a looped walking trail with a bird observatory and educational area with a shaded rest area with multiple benches, information posts, potable water and a playground.	\$66,152
GR3-011	A	B,C,D	4	North Dakota Pheasant Habitat Initiative	ND Game and Fish Department	\$3,000,000	\$38,000,000	OHF funding will be used as a match for the USDA Conservation Reserve Enhancement Program (CREP) -- Provide a one-time habitat incentive on CREP acres.	\$3,000,000
GR3-012	D		1	Drayton Campground	Drayton Park Board	\$295,000	\$453,033	Development of a 70-site recreational use campground. Preserve existing natural vegetation.	\$125,000

GR3-013	D	A	2 Park River Parks & Recreation - Phase 1 Campground and Three-Plex Ball Field	Park River Parks and Recreation	\$1,095,020	\$1,460,027	Development of a 20-unit modern campground and three-plex ball diamonds for outdoor recreational activities.	\$240,000
GR3-015	A	B,C,D	4 Fingal Wildlife Club Dam Restoration	Fingal Wildlife Club	\$35,500	\$52,600	Restoration of a dam used for recreational fishing and family picnic area. Reset the inlet structure, install polymeric coated corrugated steel pipe from the inlet structure to the creek.	\$35,500
GR3-016	D	A	2 Sandhills Archery Club Landscaping	Sandhills Archery Club	\$61,000	\$82,550	Upgrade landscaping of Club property to improve safety and expand shooting opportunities and preparation for construction of new clubhouse. (There are 7 parts to this projects.)	\$40,000
GR3-017	C	A,B	3 Brown Ranch Habitat Enhancement through Prescribed Grazing	The Nature Conservancy	\$16,889	\$24,255	Installation of shallow water wells and portable livestock tanks along with a solar powered pumping unit to improve its rotational grazing program with the goal of improving wildlife habitat over 1,500 acres.	\$16,000
GR3-018	C	A,B, D	4 Bismarck PF Habitat Enhancement	Pheasants Forever Dakota Chapter, Bismarck	\$60,000	\$100,000	Purchase of trees, weed barrier, grass seed and other necessary habitat to create a long term, beneficial environment for private and public land owners.	\$60,000
GR3-021	C	B	2 Working Wetlands in North Dakota	Delta Waterfowl	\$1,750,000	\$4,950,000	OHF funds will be used to provide incentives to producers who agree to leave qualified wetlands intact. 10,500 acres	\$1,750,000
GR3-025	C	D	2 Urban Woods and Prairies Initiative	Audubon Dakota	\$82,218	\$148,789	This Initiative is to create, restore and enhance wildlife habitat and recreational opportunities for the City of Fargo. The 142.25 acre project area is spread over 5 sites. This will include conversion from exotic turf grass into native prairie grasses and wildflowers as well as more intensive woodland management	\$82,218
GR 3 Total					\$6,899,763	\$45,991,395		\$5,752,839
Grant Round 1					\$9,038,275	\$18,636,374		\$5,848,133
Grant Round 2					3,656,820	8,709,567		\$2,509,428
Grant Round 3					\$6,899,763	\$45,991,395		\$5,752,839
Total					\$19,594,858	\$73,337,336		\$14,110,400

OUTDOOR HERITAGE FUND AWARDS - GRANT ROUNDS 1 - 3



Southwest Region
 \$29,322
 (1)

STATEWIDE PROJECTS
 \$10,392,750
 (10)

Rounds 1 - 3 Approved Project Statistics

	Round 1		Round 2		Round 3		Total All Rounds	
Major Directive A Applications	2	\$1,908,568	3	\$356,250	2	\$3,035,500	7	\$5,300,318
Major Directive B Applications	6	\$3,082,000	5	\$1,141,750	1	\$9,937	12	\$4,233,687
Major Directive C Applications	6	\$595,565	3	\$386,664	5	\$1,974,370	14	\$2,956,599
Major Directive D Applications	3	\$262,000	6	\$624,764	6	\$733,032	15	\$1,619,796
	17	\$5,848,133	17	\$2,509,428	14	\$5,752,839	48	\$14,110,400
Applications awarded \$50,000 or less	6	\$173,133	6	\$191,460	5	\$141,819	17	\$506,412
Applications awarded more than \$50,000 but less than \$100,000	1	\$55,000	2	\$132,342	3	\$208,370	6	\$395,712
Applications awarded \$100,000 but less than \$250,000	6	\$692,000	4	\$680,626	4	\$652,650	14	\$2,025,276
Applications awarded more than \$250,000 but less than \$1,000,000	2	\$1,150,000	5	\$1,505,000	0	\$0	7	\$2,655,000
Applications awarded more than \$1,000,000	2	\$3,778,000	0	\$0	2	\$4,750,000	4	\$8,528,000
	17	\$5,848,133	17	\$2,509,428	14	\$5,752,839	48	\$14,110,400
Applications from State Agencies	3	\$2,141,000	0	\$0	2	\$3,040,382	5	\$5,181,382
Applications from Political Subdivisions	7	\$2,414,000	9	\$1,302,588	4	\$363,739	20	\$4,080,327
Applications from Tribal Entities	2	\$14,133	0	\$0	0	\$0	2	\$14,133
Applications from Non-Profit Organizations	5	\$1,279,000	8	\$1,206,840	8	\$2,348,718	21	\$4,834,558
	17	\$5,848,133	17	\$2,509,428	14	\$5,752,839	48	\$14,110,400

Directive A - Provide access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;

Directive B - Improve, maintain, and restore water quality, soil conditions, plant diversity, animal systems, and to support other practices of stewardship to enhance farming and ranching;

Directive C - Develop, enhance, conserve, and restore wildlife and fish habitat on private and public lands; and

Directive D - Conserve natural areas for recreation through the establishment and development of parks and other recreation areas.