

K00A0505
Department of Natural Resources – PAYGO

Pay-As-You-Go Capital Budget Summary

(\$ in Millions)

	<i>FY 2007 Approp.</i>	<i>FY 2008 Approp.</i>	<i>FY 2009 Allowance</i>	<i>Percent Change</i>	<i>DLS Recommd.</i>
Program Open Space					
Land Acquisition and Local Program	\$257.166	\$176.558	\$45.547	-74.2%	\$45.547
Critical Maintenance/Capital Development	18.191	16.686	9.493	-43.1%	9.493
Rural Legacy Program	26.050	20.921	18.468	-11.7%	18.468
Ocean City Beach Maintenance	1.000	1.000	1.000	0.0%	1.000
Waterway Improvement Program	26.000	27.700	21.300	-23.1%	21.300
Shore Erosion Control Loan Program	0.800	0.500	0.500	0.0%	0.500
Total	\$329.207	\$243.365	\$96.308	-60.4%	\$96.308
Fund Source					
Special	\$322.057	\$238.365	\$87.008	-63.5%	\$87.008
Federal	7.150	5.000	4.300	-14.0%	4.300
PAYGO Subtotal	\$329.207	\$243.365	\$91.308	-62.5%	\$91.308
GO Bonds	\$0.000	\$0.000	\$5.000	100.0%	\$5.000
Total	\$329.207	\$243.365	\$96.308	-60.4%	\$96.308

Summary of Issues

Transfer Tax Revenues Down and Diverted to Operations: After experiencing a significant surge, real estate transfer tax revenues have declined considerably in the past two years. Furthermore, a greater percentage of transfer tax revenue is being redirected from capital land conservation programs to the Department of Natural Resources (DNR) park and forest operations. **DNR should brief the committees on what impact reduced transfer tax revenues and changes to the transfer tax allocation formula will have on the State’s ability to meet its land conservation goals.**

For further information contact: Amanda M. Mock

Phone: (410) 946-5530

National Sailing Hall of Fame: In December 2005, former Governor Robert L. Ehrlich, Jr. announced a formal agreement to establish the National Sailing Hall of Fame (NSHOF) museum on DNR property in Annapolis. In December 2007, the Maryland Stadium Authority released a feasibility study on the merits of the site and the viability of the venture. The NSHOF's plans to develop the DNR property raise several policy issues. **DNR should be prepared to respond to the specified policy concerns. Also, the Department of Legislative Services (DLS) recommends budget bill language prohibiting DNR (1) from renting, leasing, or purchasing property from NSHOF; and (2) from renting, leasing, and selling property to NSHOF until a report is submitted to the budget committees.**

Refined Targeting Strategy for Program Open Space State Land Conservation: In response to the need to promote public transparency and maximize limited funds, DNR developed an enhanced targeting and ranking strategy for the State-side Program Open Space (POS) program. To develop this refined approach, DNR met with nearly 100 local planners, parks and recreation staff, and nonprofit representatives from across the State in fall 2007. The enhanced targeting and ranking strategy will result in the annual identification of specific geographic areas to benefit from program funding. **DNR should be prepared to discuss what potential locations the State-side POS program will target with its fiscal 2008 and/or 2009 funding; what, if any, comments and concerns DNR's land conservation partners voiced concerning the new strategy; and how this strategy is substantially different from the program's previous strategy.**

One-year Funding of Capital Development Projects: The fiscal 2008 budget included \$1.4 million to plan nine capital development projects. Due to the decline in transfer tax revenue and project timing, DNR's fiscal 2009 budget allowance does not include any of the \$12.6 million in estimated construction funding for these projects. Funding capital development projects in one year could potentially decrease total construction costs, reduce construction delays, and allow staff to focus on completing projects rather than juggling multiple projects with multi-year funding. **DNR and the Department of General Services should be prepared to discuss programmatic and statutory changes that would be required to allow DNR to fund development projects in one year in instances where the project design and construction schedules would be compatible with one-year funding. Furthermore, DLS recommends budget bill language requiring submittal of a report outlining a strategy for implementing a one-year capital development funding approach, and explaining whether DNR intends to implement this approach.**

Summary of Recommended Actions

1. Add budget bill language requiring a report on the National Sailing Hall of Fame.
2. Add budget bill language requiring a report on instituting a one-year capital development funding approach.
3. Add budget bill language restricting the \$5.0 million general obligation bond appropriation

for the Rural Legacy Program to capital development projects initially funded in fiscal 2008 for design, but for which reduced State transfer tax revenue preclude fiscal 2009 construction funding.

Overview Issues

1. Transfer Tax Revenues Down and Diverted to Operations

Transfer tax revenues will have a much altered impact on State programs in fiscal 2009 due to diminishing revenues and recent statutory changes. After experiencing a significant surge, real estate transfer tax revenues have declined considerably over the past two years. While the fiscal 2009 allowance allocates the full \$166.3 million of estimated transfer tax revenue to programs as required in statute (see **Exhibit 1**), this represents 11.8% less revenue than what was budgeted in 2008. However, the final amount of transfer tax available for fiscal 2009 is only \$109.4 million due to the budgeting of a \$52.0 million fiscal 2007 revenue underattainment.

Exhibit 1
Property Transfer Tax Allocation
Fiscal 2008 and 2009
(\$ in Millions)

	<u>Fiscal 2008</u>	<u>Fiscal 2009</u>
Transfer Tax Revenue Estimate	\$188.582	\$166.298
Administrative Expenses (3%)	-5.657	-4.988
Attainment Adjustment (Fiscal 2006 and 2007)	75.502	-51.956
Total Available for Allocation	\$258.427	\$109.352
Program Open Space Allocation (75.15%)	\$194.207	\$82.178
Heritage Areas Authority	3.000	3.000
POS Local	95.603	18.589
Forest and Park Service Operations	0.000	21.000
POS State	95.603	39.589
State Land Acquisition	61.764	20.871
Rural Legacy	8.000	8.000
POS Capital Development Eligible*	25.839	10.717
Additional State Land Acquisition Allocation (1%)	\$2.584	\$1.093
Agricultural Land Preservation (17.05%)	\$44.061	\$18.644
Rural Legacy (5%)	\$12.921	\$5.467
Heritage Conservation Fund (1.8%)	\$4.651	\$1.968

*Of these amounts, \$8.0 million in fiscal 2008 and \$24,446 in fiscal 2009 is for State land acquisition.

POS: Program Open Space

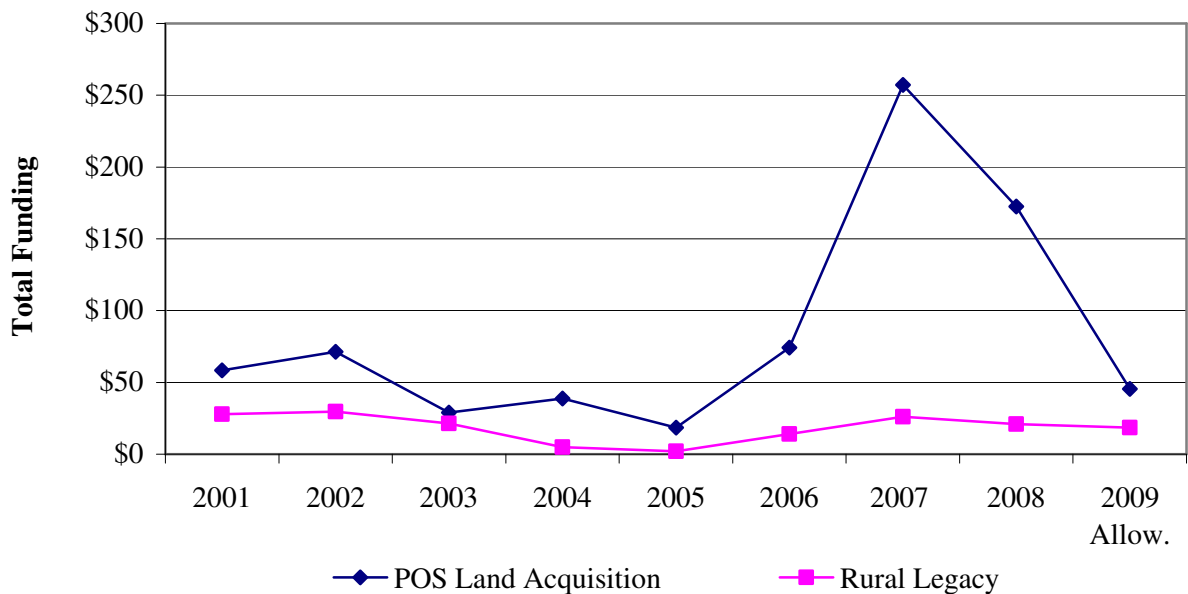
Source: Department of Legislative Services

K00A0505 – Department of Natural Resources – PAYGO

In addition to having less revenue for programs overall, a greater proportion of transfer tax revenue will be redirected from capital programs to operations in fiscal 2009. In accordance with Chapter 2 of the 2007 special session, beginning in fiscal 2009, after the initial distribution of the Program Open Space (POS) funds to the Maryland Heritage Areas Authority Financing Fund, the greater of \$21.0 million, or 20%, of remaining POS funds must be used each year by the Department of Natural Resources (DNR) to operate State forests and parks. The POS funding that is appropriated to local governments each year would be determined after this distribution. In accordance with this statute, the local share of POS transfer tax revenues is reduced by \$21.0 million in fiscal 2009.¹

As a result of the funding shifts described above, several DNR capital programs are funded below the record high levels enjoyed in fiscal 2007 and 2008 (see **Exhibit 2**).

Exhibit 2
Land Conservation Funding Trends
Fiscal 2001-2009
(\$ in Millions)



Source: Department of Legislative Services

¹ DNR has had statutory authority since fiscal 1997 to use a portion of the State share of POS funds for State forest and park operations. That amount has been limited to \$1.2 million in all years since fiscal 1999 but one – when the Budget Reconciliation and Financing Act of 2005 increased the ceiling to \$2.5 million for fiscal 2006 only.

K00A0505 – Department of Natural Resources – PAYGO

Property transfer tax revenue estimates have been adjusted downward over the past year. However, revenues are expected to experience modest growth in fiscal 2010 through 2013, as illustrated in **Exhibit 3**.

Exhibit 3
Property Transfer Tax Revenue Projections
Fiscal 2008-2013
(\$ in Millions)

<u>Fiscal Year</u>	<u>December 2006 Estimate</u>	<u>December 2007 Estimate*</u>
2008	\$188.6	\$165.1
2009	190.3	166.3
2010	194.9	181.4
2011	199.0	184.0
2012	204.8	187.5
2013	n/a	191.5

*Reflects Chapter 3 of the 2007 special session, which imposed taxes on the transfer of controlling interest.

Source: Maryland Office of the Comptroller

DNR should brief the committees on the impact of reduced transfer tax revenues and changes to the transfer tax allocation formula on the States ability to meet its land conservation goals.

2. National Sailing Hall of Fame

Background

In December 2005, former Governor Robert L. Ehrlich, Jr. announced a formal agreement to establish the National Sailing Hall of Fame (NSHOF) museum on DNR property in Annapolis. A memorandum of understanding (MOU) between the State, DNR, the City of Annapolis (city), and NSHOF was signed that sets forth a cooperative agreement to jointly pursue development of the museum on DNR property and explore development of adjacent city property. The DNR property at issue is located on the Annapolis Harbor next to the City Dock at 67 and 69 Prince George's Street. The property includes a 1,134-square foot building that currently houses the Natural Resources Police Area 3 headquarters as well as access to adjacent piers.

In December 2007, the Maryland Stadium Authority (MSA) released a feasibility study on the merits of the site and the viability of the venture. The study concluded that a NSHOF at the DNR site

K00A0505 – Department of Natural Resources – PAYGO

is a feasible venture, can leverage additional tourism, and could enhance downtown Annapolis. Several of the study's findings are summarized below.

- **Engineering Analysis, Property, and Structure** – The site is in the Annapolis historic district, a maritime conservation zone, the Chesapeake Bay critical area, and the 100-year flood plain, all protected areas that require special consideration and permitting. Flood damage and unstable soil would make it nearly impossible to convert the existing DNR structure to a public building.
- **Concept Report** – NSHOF should focus on interactive exhibits, participatory programs, and on-site historic vessels; work in collaboration with nearby tourist and cultural attractions and the sailing community; and recognize that government funding has been declining. There are numerous Annapolis museums and cultural attractions competing for limited funds.
- **Market Study/Economic Impact** – There is considerable competition among attractions in Annapolis, and sports-related museums draw less than other cultural attractions because they tend to be “fan” driven and male dominated. Since admission costs, staffing levels, and the museum's size have not been determined, the potential economic benefits are not clear. However, the report estimates between 50,000 and 150,000 visitors annually. Assuming 100,000 visitors, of which 5% have traveled to see the facility, NSHOF could generate \$329,000 in new annual tax revenue and create 95 jobs.
- **Cost** – The cost to improve the DNR site is estimated to be \$9.3 million, and the estimated cost of improving both the DNR site and an adjacent parcel is \$15.0 million.

Fiscal 2008 budget bill language restricted the expenditure of DNR capital funding until DNR submitted a report providing the results of the MSA-funded studies, an appraisal of the property, an overview of the development efforts, and a summary of the State's next steps. In response, DNR submitted a letter in late January 2008 providing information. DNR also provided a copy of a December 17, 2007, letter from NSHOF formally requesting a long-term lease of the State property and conveying that NSHOF had ratified a contract to acquire a parcel of land owned by Phillips Seafood Restaurant adjacent to the DNR land. The letter further noted NSHOF's intent to convey the adjacent property to the State and then lease it back from the State.

Policy Issues

NSHOF's plans to develop the DNR property raise several policy issues.

- **Conveyance of Newly Acquired NSHOF Parcel to the State** – It is not clear that the State would gain any financial or programmatic benefit from assuming ownership of the adjacent land. In fact, the State could incur significant acquisition and management costs if it assumed ownership of this parcel.

K00A0505 – Department of Natural Resources – PAYGO

- **State Property Clearinghouse Process** – In accordance with statute, prior to leasing land to NSHOF, DNR recently declared the property surplus and initiated the State’s property clearinghouse process. It is not clear whether NSHOF’s existing MOU for use of the property will give it an unfair advantage over other interested parties during the clearinghouse process.
- **The Site’s Historical Significance Unresolved** – There is significant concern about preserving the historical significance of the State land and structure. DNR advises that any lease would make the project subject to review by the State’s Maryland Historical Trust and the Annapolis Planning Commission. However, this project would be excluded from official review by the City of Annapolis Historic Preservation Commission since it is a State project.
- **Environmental Impact of Site Development** – It could be argued that since the site is located in the critical area buffer zone, further development would result in an additional environmental burden. Promoting significant development in the critical area does not appear to be consistent with DNR’s stewardship goals.
- **Future State Funding Support** – At this stage it is unclear what, if any, funding support for the construction of NSHOF will be proposed – whether through DNR or other State sources. While the proposed lease of State land to NSHOF has not been finalized, certainly a favorable lease to NSHOF could be construed as State assistance. Should funding be proposed through DNR as a capital development project, DLS would greatly question whether such a project constitutes a DNR development project.

DNR should be prepared to discuss the status of this effort and respond to each of the five policy concerns described above. Also, the Department of Legislative Services recommends budget bill language prohibiting DNR (1) from renting, leasing, or purchasing property from; and (2) from renting, leasing, and selling property to NSHOF until a report is submitted to the budget committees.

Recommended Actions

1. Add the following language:

Provided that no State funds may be used to rent, lease, or purchase property from the National Sailing Hall of Fame (NSHOF) or to rent, lease, or sell property to the NSHOF until a report is submitted to the budget committees providing the following information: a full accounting of past, current, and potential costs to the State; certification that the Maryland Historical Trust, Annapolis Planning Commission, and City of Annapolis Historic Preservation Commission are supportive of the project; and a description of other entities that expressed interest in the Department of Natural Resources (DNR) land during the State property clearinghouse process. The budget committees shall have 45 days to review and comment upon the report.

K00A0505 – Department of Natural Resources – PAYGO

Explanation: This language prohibits DNR (1) from renting, leasing, or purchasing property from; and (2) from renting, leasing, and selling property to NSHOF until a report is submitted to the budget committees. The report should include the following information: a full accounting of the costs to the State; certification that the Maryland Historical Trust, Annapolis Planning Commission, and City of Annapolis Historic Preservation Commission are supportive of the project; and a description of other entities that expressed interest in the DNR land during the State property clearinghouse process. The language provides the budget committees with 45 days to review and comment upon the report.

Information Request	Author	Due Date
NSHOF report	DNR	Prior to a land transaction with NSHOF

***Program Open Space – Acquisition and Local Program
(Statewide)***

PAYGO SF	\$42,547,288	Recommendation:	Approve
PAYGO FF	\$3,000,000		

Program Description: Title 5, Subtitle 9 of the Natural Resources Article established Program Open Space (POS) for the purpose of expediting the acquisition of outdoor recreation and open space areas and provision of recreation facilities before land is devoted to other purposes. The POS appropriation has historically been split between State and local government. While both State acquisitions and local grants fund projects that protect open space and provide recreation facilities, State acquisitions tend to place a greater emphasis on natural resource management. State POS funds are allocated for State land acquisition, capital improvements, critical maintenance, and operations. Local recreation and parks departments use local POS funds for acquisition, development, and planning projects.

Primary funding for POS has historically been provided by the State transfer tax of 0.5% of the consideration paid for the transfer of real property from one owner to another. The greater the development pressure, the more transfers, and thus the more transfer tax revenue realized for land conservation and recreation facilities. In recent years, other funding sources such as bond funds and the federal Land and Water Conservation Fund have played an important role in funding this program, as transfer tax revenue has been diverted to the general fund to cover general fund budget shortfalls.

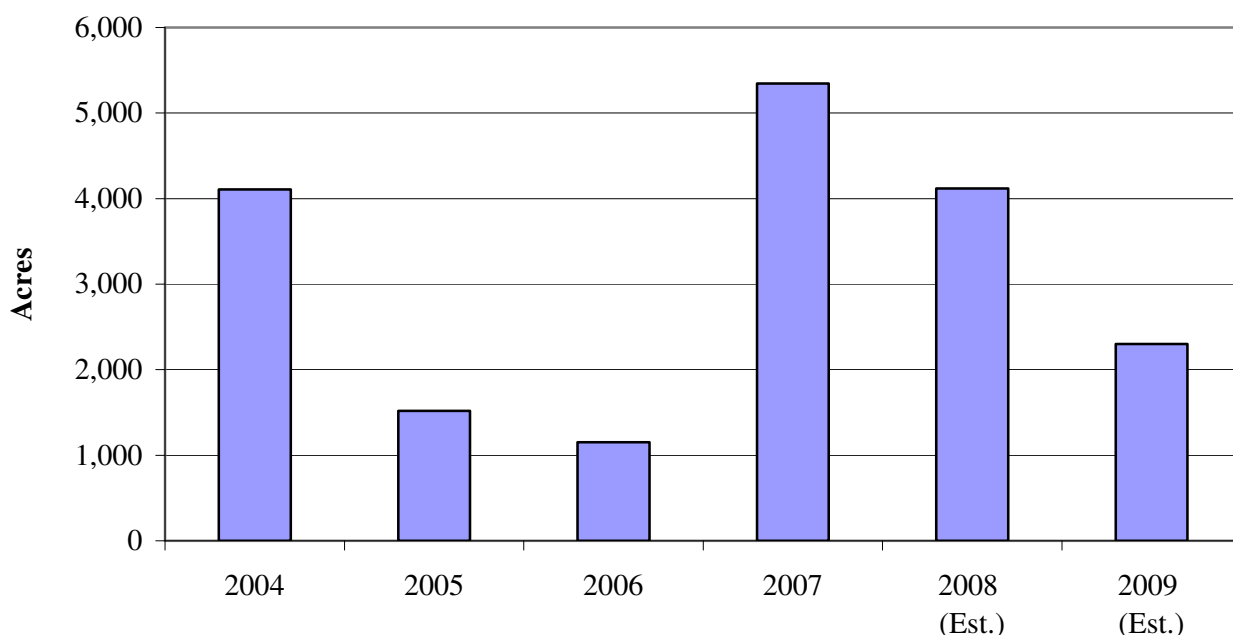
POS administers the Heritage Conservation Fund, which is used to acquire land that provides habitat for rare, threatened, and endangered species through easement or fee simple purchase. In recent years, these funds have been used to protect Bog Turtle habitat and forest dwelling species in Western Maryland. The fund is supported by 1.8% of the annual transfer tax revenue.

Over time, many special projects that are not necessarily related to land acquisition have been given a share of the transfer tax revenue. For example, transfer tax special funds have been earmarked for critical maintenance projects, park operations, and the Ocean City beach maintenance efforts. In addition to siphoning transfer tax revenue away from POS to other projects, subtle shifts in the program's focus have occurred. For example, POS funds have been dedicated to the purchase of conservation easements instead of the purchase of land in fee simple. While easements may be a less expensive land conservation method, they do not provide for public outdoors recreation opportunities. These program earmarks and changes in method have shifted this program away from the pure State land acquisition and local land acquisition and park development program it was 30 years ago.

Year Program Began: 1969

Program Performance Analysis: As illustrated in **Exhibit 4**, the Department of Natural Resources (DNR) is anticipating a significant decrease in POS acquisition acres approved by the Board of Public Works (BPW) in fiscal 2008 and 2009. For fiscal 2007, DNR had estimated approval of 11,300 acres, but the actual was only 5,345 acres, a 53% reduction. **DNR should be prepared to discuss why fewer acres than anticipated were approved by BPW in fiscal 2007, and whether the fiscal 2008 and 2009 estimates are realistic.**

Exhibit 4
POS Acquisition Acres Approved by the Board of Public Works
Fiscal 2004-2009



POS: Program Open Space
BPW: Board of Public Works

Source: Governor's Budget Books, Fiscal 2006-2009

Comments: As illustrated in **Exhibit 5**, the fiscal 2009 allowance provides a total of \$45.5 million: \$42.5 million in transfer tax special funds and \$3.0 million in federal funds. The special funds are allocated to several programs: \$20.5 million for State land conservation efforts; \$18.6 million for local land conservation and recreation programs; \$2.0 million for the Heritage Conservation Fund; and \$1.5 million for park operation and maintenance in Baltimore City. The \$3.0 million in federal funds would be evenly split between the State and local POS programs.

Exhibit 5
Program Open Space Fiscal 2009 Allowance

	<u>Transfer Tax Special Funds</u>	<u>Federal Funds</u>	<u>Total</u>
POS – State Share			
Land Acquisition	\$20,489,734	\$1,500,000	\$21,989,734
Baltimore City Direct Grant	1,500,000	0	1,500,000
POS – Local Share			
Land Acquisition/Development	18,589,209	1,500,000	20,089,209
Heritage Conservation Fund	1,968,345	0	1,968,345
Total	\$42,547,288	\$3,000,000	\$45,547,288

Note: This chart excludes critical maintenance, capital development, Ocean City beach maintenance, and dam repair funds.

POS: Program Open Space

Source: Governor’s Budget Books, Fiscal 2009

As shown in **Exhibit 6**, the fiscal 2009 allowance provides \$22.0 million for State land acquisition – a significant decrease from fiscal 2007 and 2008.

Exhibit 6
POS State Land Conservation
(\$ in Millions)

<u>Fiscal Year</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>GO Bonds</u>	<u>Total</u>
2004	\$0.0	\$1.0	\$12.7	\$13.7
2005	0.0	1.0	0.0	1.0
2006	23.1	2.0	0.0	25.1
2007	111.0	2.0	0.0	113.0
2008	70.8	2.0	0.0	72.8
2009	20.5	1.5	0.0	22.0

POS: Program Open Space

GO: general obligation

Source: Governor’s Budget Books, Fiscal 2005-2009

K00A0505 – Department of Natural Resources – PAYGO

In accordance with Chapter 2 of the 2007 special session, the POS funding available for distribution to local governments will decrease by at least \$21.0 million annually beginning in fiscal 2009. However, Chapter 3 of the 2007 special session imposed taxes on the transfer of controlling interest which is estimated to provide \$48.2 million in fiscal 2009 local tax revenue.² The controlling interest revenue is expected to more than offset the loss of State funds in most jurisdictions, but in several counties the projected fiscal 2009 POS funding loss exceeds the estimated fiscal 2009 controlling interest revenues.

Program Open Space Fund Data

(\$ in Millions)

<i>Description</i>	<i>2007 Approp.</i>	<i>2008 Approp.</i>	<i>2009 Request</i>	<i>2010 Estimate</i>	<i>2011 Estimate</i>	<i>2012 Estimate</i>	<i>2013 Estimate</i>
PAYGO SF	\$252.566	\$170.557	\$42.547	\$70.450	\$84.200	\$86.000	\$88.000
PAYGO FF	4.000	4.000	3.000	2.000	2.000	2.000	2.000
Total	\$256.566	\$174.557	\$45.547	\$72.450	\$86.200	\$88.000	\$90.000

Issues

1. Refined Targeting Strategy for Program Open Space State Land Conservation

Over the past year, DNR’s land conservation efforts have come under scrutiny. In response to the need to promote public transparency and maximize limited funds, DNR developed an enhanced targeting and ranking strategy for the State-side POS program. To develop this refined approach, DNR met with nearly 100 local planners, parks and recreation staff, and nonprofit representatives from across the State in fall 2007. During the day-long summit, participants learned more about the new environmental targeting criteria for State-side POS fund allocations and gave feedback on a variety of issues including integrating targeting criteria into nonprofit and local governments’ land preservation priorities; improving the targeting criteria; and leveraging resources with partners.

² These funds are not required to be used to offset the reduction in local POS funds.

K00A0505 – Department of Natural Resources – PAYGO

The enhanced targeting and ranking strategy is organized into the three phases described below.

- **Ecological Screen** – Use the original green infrastructure assessment to select “high priority conservation areas.” The green infrastructure assessment identifies areas with rare species habitat, aquatic life hotspots, and areas key to providing water quality protection.
- **Programmatic Screen** – Use implementation criteria such as degree of existing protection, feedback from land conservation partners, and available funding to select “annual proposed target areas” within a conservation area.
- **Parcel Screen** – Assess multiple benefits and management considerations to prioritize specific “annual focus areas” within the target area. DNR plans to revisit focus areas annually after the program budget is determined.

DNR advises that this refined approach will improve program transparency as well as collaboration with its many land conservation partners. In addition, while the approach will not directly change local POS programs, DNR hopes local governments will use updated green infrastructure information to identify areas for ecological protection via acquisition and/or comprehensive planning and zoning requirements.

DNR should be prepared to discuss what potential locations the State-side POS program will target with its fiscal 2008 and/or 2009 funding, the comments and concerns that DNR’s land conservation partners have voiced concerning the new strategy, and how this strategy is substantially different from the program’s previous strategy.

Currently, approximately 29%, or 600,000 acres, of the 2.1 million acres that are identified as high priority conservation areas in the State are protected. A slightly larger amount of protected lands in the State – 650,000 to 750,000 acres – are outside the high priority conservation areas. **DNR should be prepared to discuss what proportion of its State-side POS funding will be focused outside of the high priority conservation areas and explain why.**

Recommended Actions

1. Concur with Governor’s allowance.

Fiscal 2009 Proposed Local Program Open Space Projects

<u>County</u>	<u>Amount</u>
Allegany	\$205,277
Anne Arundel	2,184,654
Baltimore City	1,959,086
Baltimore	2,471,374
Calvert	216,491
Caroline	96,109
Carroll	490,631
Cecil	252,926
Charles	445,143
Dorchester	82,012
Frederick	507,446
Garrett	101,064
Harford	726,920
Howard	1,288,704
Kent	61,139
Montgomery	3,245,919
Prince George's	2,792,849
Queen Anne's	130,623
St. Mary's	246,201
Somerset	59,116
Talbot	136,994
Washington	386,558
Wicomico	258,236
Worcester	243,735
Total	\$18,589,209

Fiscal 2008 Local Program Open Space Project Status

<u>County</u>	<u>Amount</u>
Allegany	\$1,055,735
Anne Arundel	11,235,640
Baltimore City	10,075,548
Baltimore	12,710,236
Calvert	1,113,408
Caroline	494,284
Carroll	2,523,308
Cecil	1,300,796
Charles	2,289,365
Dorchester	421,787
Frederick	2,609,785
Garrett	519,772
Harford	3,738,538
Howard	6,627,781
Kent	314,438
Montgomery	16,693,705
Prince George's	14,363,572
Queen Anne's	671,790
St. Mary's	1,266,206
Somerset	304,035
Talbot	704,560
Washington	1,988,061
Wicomico	1,328,105
Worcester	1,253,527
Total	\$95,603,982

Program Open Space – Critical Maintenance Projects and Capital Development (Statewide)

PAYGO SF **\$9,493,000** **Recommendation: Approve**

Program Description: State law allows up to 25% of the Program Open Space (POS) funds allocated to the State to be used for development projects and for operating expenses at State forests and parks. The Department of Natural Resources (DNR) maintains over 1,200 buildings, hundreds of miles of roadway, parking lots, and a variety of water associated facilities that serve millions of visitors annually. Critical maintenance projects include structural repairs to buildings, bridge repairs, well and septic system replacement, and road and utility repairs. According to DNR, there is an \$11.5 million (352 projects) backlog in necessary critical maintenance projects at State forests and parks. DNR defines the backlog as those projects not funded in the five-year *Capital Improvement Program* (CIP).

The Natural Resources Development Fund (NRDF) provides support to design and construct development projects on DNR property. Development projects include shower buildings, building renovations, road parking and trail improvements, and general park improvements.

The Dam Rehabilitation Program was initiated in fiscal 1999 to address the major repair needs at 13 of DNR’s 29 dams. Eight dams have been repaired since funding was first provided in fiscal 1999. The dams scheduled for repair through the program have been identified by the Maryland Department of the Environment’s Dam Safety Division as needing immediate repairs. The repairs may include conducting assessments; developing emergency warning plans; and repairing spillways, sluice gates, and access roads. DNR anticipated that sufficient funding would be provided in fiscal 2008 and 2009 to complete all major dam repairs. Therefore, DNR planned to end the program in fiscal 2010 and address future dam needs through the critical maintenance program. However, due to changes to the laws regulating dams, cost increases, and additional needs, DNR now anticipates requesting program funding through fiscal 2011.

Deficiency Request: The fiscal 2009 budget allowance includes a \$1.6 million fiscal 2008 deficiency funding request to design various elements of the recently created Harriet Tubman Underground Railroad State Park. To fund this capital improvement project, DNR intends to use funding from the State POS land acquisition program.

The Board of Public Works approved the acquisition of a 17.3-acre tract in Dorchester County on April 18, 2007. DNR, in cooperation with the Department of Business and Economic Development (DBED), Dorchester County, and community members are planning the development of this tract into the Harriet Tubman Underground Railroad State Park. The project includes complete site development of this parcel that was originally part of the Blackwater National Wildlife Refuge. The site improvements include a visitor center, memorial garden, trails, parking, and a

K00A0505 – Department of Natural Resources – PAYGO

pavilion. DNR advises that the parks estimated operating costs are \$300,000 annually; and programmatic and fundraising duties will be split between DNR and DBED, with some potential assistance from the U.S. National Park Service.

DNR should be prepared to discuss the State’s estimated, future capital costs associated with the development of the Harriet Tubman Underground Railroad State Park; exactly how DNR intends to share fundraising and programmatic responsibilities with DBED, Dorchester County, the U.S. National Park Service, and other partners; and, how this project will be unique from other tributes to Harriet Tubman, such as the Harriet Tubman Home in Auburn, New York. Finally, DNR should discuss the appropriateness of using DNR development funds for this project which appears to be outside the mission and purpose of this program.

Program Performance Analysis: DNR defines its critical maintenance backlog as the value of necessary projects beyond the five-year CIP planning period. In 2007, DNR had a \$7.8 million backlog of critical maintenance and capital improvement projects and advised that this backlog was expected to shrink by half within the next four years. However, DNR now advises that the backlog is \$11.5 million – a \$3.7 million, or 47.4%, increase. **DNR should discuss the reasons for this dramatic increase in the backlog and how it is expected to change over the next two years.**

In accordance with Section 5-903.1 (d)(3)(ii), the POS Contingency Fund seeks to supplement fund shortages on critical maintenance and capital development projects that are either out to bid or in construction. The fund is supported by allocating excess funds from completed or canceled projects and has a limit of \$250,000. However, project costs have grown considerably over the past 10 years. To accomplish the purpose of the fund, a higher limit that controls for inflation is warranted. **DNR should be prepared to discuss when it intends to pursue legislation that raises the POS Contingency Fund’s limit and controls for inflation in future years.**

Comments: The fiscal 2009 pay-as-you-go allowance provides the following funds:

- **Critical Maintenance (\$4,000,000)** – To address approximately 75 maintenance projects across the State. The maintenance projects proposed have been evaluated by the Department of General Services (DGS) and placed into one of three categories: (1) fineable code violations with serious life safety issues; (2) destruction of related assets if maintenance is not completed; and (3) accelerated deterioration of the asset will occur if project is not completed or project is at the end of normal life expectancy. DNR and DGS, who manages the critical maintenance projects on behalf of DNR, have made some progress in addressing the large amount of unencumbered funds reflected in the expenditure/encumbrance summary. DNR advises that while staffing concerns continue to hinder the timely completion of critical maintenance projects, the program is actively recruiting a new project manager and seeking to combine projects in hopes of reducing the preparation and bidding period. **DNR and DGS should be prepared to discuss what impediments there are in the management of critical maintenance projects that cause such a large amount of prior year authorizations to remain unencumbered.**

K00A0505 – Department of Natural Resources – PAYGO

- **NRDF/Capital Development (\$3,993,000)** – To implement the following two development projects on DNR property: (1) complete sewer improvements at Pocomoke River State Park (Worcester County), (2) and continue pipe replacement and pond relining improvements at Cedarville Fish Hatchery (Charles County).
- **Ocean City Beach Maintenance (\$1,000,000)** – For the State’s annual share of maintenance costs associated with beach maintenance.
- **Dam Rehabilitation (\$500,000)** – For \$115,000 to rehabilitate or replace Mill Pond Dam at Gunpowder Falls State Park (Baltimore County); \$75,000 to repair the Cedarville State Park Dam (Charles County); and \$310,000 to repair the Friends Park Pond Dam (Harford County). In fiscal 2003, \$50,000 was previously authorized for the Friends Park Pond Dam project.

Critical Maintenance Program Fund Data

**Authorization Summary
(\$ in Millions)***

		<i>Funds</i>		<i>Balances</i>	
<i>Fiscal Year</i>	<i>Authorization</i>	<i>Encumbered</i>	<i>Expended</i>	<i>To Be Encumbered</i>	<i>To Be Expended</i>
Prior Years	\$15.550	\$15.515	\$15.514	\$0.035	\$0.036
2004	3.524	3.362	3.313	0.162	0.211
2005	3.500	3.004	2.896	0.496	0.604
2006	4.059	2.126	1.415	1.933	2.644
2007	4.000	1.069	0.750	2.931	3.250
2008	5.470	0.000	0.000	5.470	5.470
Total	\$36.103	\$25.077	\$23.888	\$11.027	\$12.216

*Balance as of 2/2008.

Issues

1. One-Year Funding of Capital Development Projects

The fiscal 2008 budget included \$1.4 million to plan nine capital development projects. As shown in **Exhibit 7**, this funding allocation covered only 10% of the total estimated cost of these nine construction projects. Due to the decline in transfer tax revenue and project timing, DNR's fiscal 2009 budget allowance does not include any of the \$12.6 million in estimated construction funding for these projects. The potential lack of adequate funding to complete these projects in the near future could result in significant additional administrative and financial costs to the State. If construction funding is delayed beyond completion of the design, there will be an increased cost for each project. DNR advises that depending upon the economic conditions at the time, there could be a considerable increase in cost.

Exhibit 7
Select Fiscal 2008 Capital Development Projects

Subdivision	Project Title	Estimated Cost	FY 2008 Amount	Future Request
Baltimore	North Point State Park – Bayshore Pier Restoration	\$1,948,000	\$98,000	\$1,850,000
Charles	Cedarville Fish Hatchery – Pipe Replacement and Pond Relining	1,555,000	155,000	1,400,000
Garrett	Deep Creek Lake State Park – Replacement Bathhouse	1,064,000	114,000	950,000
Harford	Susquehanna State Park – Bathhouse and Campground Renovations	782,000	82,000	700,000
Somerset	Janes Island State Park – Nature Center Renovations and Improvements	1,727,000	227,000	1,500,000
St. Mary's	Point Lookout State Park – Administration Building Renovations	1,525,000	175,000	1,350,000
Talbot	Black Walnut Point Natural Resources Management Area – Shore Erosion Control	1,689,000	89,000	1,600,000
Worcester	Assateague State Park – Nature Center Replacement	2,450,000	300,000	2,150,000
Worcester	Pocomoke State Park – Milburn Landing Bathhouse Replacement	1,185,000	129,000	1,056,000
	Total	\$13,925,000	\$1,369,000	\$12,556,000

Source: Governor's Budget Books, Fiscal 2008

The Department of Legislative Services (DLS) notes that many DNR capital development projects could be funded for design and construction in one year rather than over a two-year period. Funding these projects in one year could potentially decrease total construction costs, reduce construction delays, and allow staff to focus on completing projects rather than juggling multiple projects with multi-year funding. This approach may require some programmatic adjustments, such as raising the POS Contingency Fund limit to provide additional funding flexibility.

DNR and DGS should be prepared to discuss any programmatic changes that would be required to allow DNR to fund development projects in one year, if the project scope lends itself to streamlined funding. Furthermore, DLS recommends budget bill language requiring submittal of a report outlining a strategy for implementing a one-year capital development funding approach, and explaining whether DNR intends to implement this approach.

Finally, consistent with the actions taken to improve the funding for State park operations which included reprogramming local share program Open Space funds, the committees may wish to consider reprogramming the \$5.0 million of general obligation bond funds to support the Rural Legacy Program and direct that those funds be used to fund some of the capital development projects partially funded in the fiscal 2008 budget.

Recommended Actions

1. Add the following language:

Further provided, the Department of Natural Resources (DNR) and the Department of General Services (DGS) shall submit a report by September 2, 2008, that outlines a strategy for funding the design, construction, and capital equipping of DNR capital development projects in one year in cases where the project schedule would allow for one-year funding; discusses the benefits and disadvantages of a one-year capital development funding strategy; and explains the department's position concerning whether it will implement a one-year funding approach.

Explanation: This language requires DNR and DGS to submit a report (1) outlining a strategy for funding DNR capital development projects in one year; (2) discussing the benefits and disadvantages of a one-year capital development funding strategy; and (3) explaining whether DNR intends to implement this approach.

Information Request	Authors	Due Date
One-year capital development funding	DNR DGS	September 2, 2008

Fiscal 2009 Proposed Critical Maintenance Projects

<u>Location</u>	<u>Project Title</u>	<u>FY 2009 Amount</u>
Allegany	Billmeyer WMA – Install Hazardous Materials Building	\$32,000
Allegany	Billmeyer WMA – Shop Renovation	10,000
Allegany	Dan’s Mountain State Park – Install New Propane Heaters – Shop	2,000
Allegany	Dan’s Mountain State Park – Renovate Hill Run Pavilion	20,000
Allegany	Dan’s Mountain State Park – Swimming Pool Pump and Motor	5,000
Allegany	Green Ridge State Forest – Furnace Replacement – Shop Building	13,000
Allegany	Green Ridge State Forest – Renovate Point Overlook	8,000
Allegany	Rocky Gap State Park – Renovate Campground Shower Buildings – Phase III	400,000
Allegany	Rocky Gap State Park – Repave Driveway to Chalet	21,000
Allegany	Rocky Gap State Park – Replace Chiller – Camp Store	32,000
Allegany	Rocky Gap State Park – Replace Furnace – Park Office	5,000
Baltimore	Gunpowder Falls State Park – Erosion Control Measures – Northern Central Rail Trail	75,000
Baltimore	Patapsco Valley State Park – Resurface Grist Mill Trail	80,000
Baltimore	Soldier’s Delight NEA – Replace HVAC for Visitor Center	63,000
Caroline	Hillsboro Regional Office – Window and Door Replacement	15,000
Caroline	Martinak State Park – Replace Drain Field – Day Use Restroom	9,000
Caroline	Martinak State Park – Replace Windows – Nature/Visitor Center	4,000
Caroline	Tuckahoe State Park – Replace Drain Field – Office	9,000
Caroline	Tuckahoe State Park – Resurface Cherry Lane Roads	70,000
Cecil	Fair Hill NRMA – Electric Supply Replacement at Kennel Road	55,000
Cecil	Fair Hill NRMA – Replace Sound System – Fairgrounds	15,000
Cecil	Fair Hill NRMA – Replace Timber Course Fence	70,000
Cecil	Fair Hill NRMA – Sewer Line Replacement – NSA Building/Tea Barn	20,000
Cecil	Fair Hill NRMA – Stormwater Management – Race Barns	80,000
Charles	Cedarville Fish Hatchery – Install Pond Liners	6,000
Frederick	Cedarville Fish Hatchery – Replace Sewage Ejector Pumps	6,000
Frederick	Cunningham Falls State Park – Replace 15 Poles Holding Electric Lines	30,000
Frederick	Fort Frederick State Park – Replace Phone Lines	75,000
Frederick	Gambrill State Park – Historic Restoration to 3 Shelters	40,000
Frederick	Gambrill State Park – Repair and Replace defective Ceiling Beams – Tea Room	40,000
Garrett	Big Run State Park – Renovate Big Run Pavilion	60,000
Garrett	Deep Creek Lake State Park – Beach Bathhouse Renovation	85,000
Garrett	Deep Creek Lake State Park – Replace Campground Gate	15,000
Garrett	Deep Creek Lake State Park – Replace Exterior Lighting – Headquarters	50,000
Garrett	Herrington Manor State Park – Upgrade Septic System – Cabins	87,000
Garrett	Mt. Nebo WMA – Renovate Shop Complex	60,000
Garrett	New Germany State Park – Re-roof Headquarters Office	20,000
Garrett	New Germany State Park – Re-roof Campground Bathhouse	40,000

K00A0505 – Department of Natural Resources – PAYGO

<u>Location</u>	<u>Project Title</u>	<u>FY 2009 Amount</u>
Garrett	Potomac Garrett State Forest – Install Water Treatment System	3,000
Garrett	Potomac Garrett State Forest – Renovate Shop Complex	68,000
Garrett	Swallow Falls State Park – Replace Water Line	5,000
Harford	Rocks State Park – Asbestos Removal at Park Headquarters	10,000
Harford	Rocks State Park – Renovate Pavilion	95,000
Harford	Rocks State Park – Replace Vehicle Exhaust System at Headquarters	40,000
Harford	Rocks State Park – Vehicle Barrier Replacement	30,000
Harford	Susquehanna State Park – Replace Lookout Steps – Tollhouse Area	20,000
Howard	Patapsco Valley State Park – Replace Furnace in Hilton Shop	22,000
Howard	Patapsco Valley State Park – Replace Guardrails	15,000
Howard	Patapsco Valley State Park – Replace Septic Systems	19,000
Howard	Patapsco Valley State Park – Replace Waterline at Hilton Complex	15,000
Howard	Patapsco Valley State Park – Re-roof Shelters and Restroom	50,000
Kent	Millington WMA – Exterior Repair to Headquarters Building	50,000
Kent	Unicorn Fish Hatchery – Install New Well	12,000
Kent	Unicorn Fish Hatchery – Replace Water Supply Lines	140,000
Montgomery	Strider WMA – Replace Shop Building	65,000
Queen Anne’s	Matapeake Marine Terminal – Sewer Hookup	20,000
Queen Anne’s	Matapeake Marine Terminal – Replace A/C Units	12,000
Somerset	Janes Island State Park – Replace Entrance Gate	35,000
Somerset	Janes Island State Park – Replace/Refinish Floors – Conference Center	20,000
Somerset	Maryland Marine Property – Road and Parking Area Repair	18,000
St. Mary’s	Greenwell State Park – Paint Exterior of Manor House	111,000
St. Mary’s	Greenwell State Park – Porch and Deck Renovations	56,000
St. Mary’s	Point Lookout State Park – Renovate Bathhouses	400,000
St. Mary’s	Point Lookout State Park – Replace Fishing Pier Lighting	8,000
St. Mary’s	Point Lookout State Park – Upgrade Electric Service – Camp Loops	150,000
St. Mary’s	St. Clements Island – Replace Pit Toilet	40,000
Washington	Albert Powell Fish Hatchery – Pump Replacement – Egg Building	15,000
Worcester	Assateague State Park – Dune Maintenance	150,000
Worcester	Assateague State Park – Well Refurbishing – Pumphouse # 2, 3, and 4	150,000
Worcester	Pocomoke River State Park – Furnace Replacement – Milburn Landing Shop	15,000
Worcester	Pocomoke River State Park – Replace Electrical System at Milburn Landing Shop	18,000
Worcester	Pocomoke River State Park – Re-roof Shelter – Milburn Landing A Shelter	16,000
Regional	Choptank River Fishing Pier – Replace Handrail System	200,000
Statewide	Statewide Contingency Fund	105,000
Statewide	Statewide Bridges – Bridge Inspections	75,000
Total		\$4,000,000

Fiscal 2008 Critical Maintenance Project Status

<u>Location</u>	<u>Project Name</u>	<u>Cost</u>
Big Run State Park	Replace Water System	\$18,000
Pasadena Work Center	Fire Tower Security	5,000
Hallowing Point Office	Central Air Upgrade Forestry Office	20,000
Gunpowder Falls S.P.	Replace Well Pump – Office Shop Complex	5,000
Statewide	Underground Storage Tank Replacement	600,000
Patapsco Valley S.P.	Repair Shelter Fireplace and Floor	7,000
Gunpowder Falls S.P.	Replace Oil Tank – Marina Complex	20,000
Elk Neck S. F.	Remove Underground Oil Tank	15,000
Fort Frederick S.P.	Acoustic Ceiling Replacement – Visitor Center	15,000
Gambrill S.P.	Replace Windows and Doors – Shop/Office	33,000
Elk Neck S.F.	Replace Shooting Range Baffles (4)	50,000
New Germany S.P.	Install Emergency Exit – Shop	15,000
Rocky Gap S.P.	Renovate Comfort Station	75,000
Woodmont Lodge	Investigate Structural Defects	25,000
City Dock Area 3 Office	Renovate Exterior City Dock Office	75,000
Wye Island N.R.M.A.	Renovate Restrooms – Lodge	46,000
Cunningham Falls S.P.	Install Grease Trap	10,000
Assateague S.P.	Dune Maintenance	300,000
Gunpowder Falls S.P.	Bridge Maint./Erosion Control/Culvert Repairs – NCR Trail	75,000
Cunningham Falls S.P.	Replace Parking Bumpers	37,680
Cunningham Falls S.P.	Resurface Roads and Parking Lots	420,000
Greenbrier S.P.	Replace Entrance Deck	27,000
Rocky Gap S.P.	Replace Frost Free Hydrants	95,000
Wye Mills Office	Interior Office Renovation	33,000
Elk Neck S.F.	Renovate Shooting Range	24,000
Fair Hill N.R.M.A.	Resurface Horse Stalls	20,000
Hollofield Auto. Shop	Re-roof Shop Complex	40,000
Rocks S.P.	Replace Sewage Pumps	5,000
Seneca Creek S.P.	Abandoned Building Razing	80,000
Gathland S.P.	Pave Entrance and Parking Area – Lodge	30,000
Patapsco Valley S.P.	Replace Furnace at Hilton Shop	22,000
Greenbrier S.P.	Replace Concession Roof	10,000
Green Ridge S.F.	Fuel Pump Replacement	13,000
Herrington Manor S.P.	Repair Chimney Flue	5,000
New Germany S.P.	Renovate Garage Building	16,400
Patapsco Valley S.P.	Fence Shop and Office Complex	30,000
Seneca Creek S.P.	Replace Concrete Walk	12,000
Seneca Creek S.P.	Replace Heating, Ventilation, and Air Conditioning (HVAC) – Visitor Center	48,000
Seneca Creek S.P.	Repair Sidewalks – Comfort Stations	45,000
Susquehanna S.P.	Replace Mansion Windows	35,000
Cedarville S.F.	Bridge Repairs	45,000
Elk Neck S.F.	Repair/Replace Scenic Overlook	5,000
Cedarville Fish Hatchery	Repair Shop Road	26,300

K00A0505 – Department of Natural Resources – PAYGO

<u>Location</u>	<u>Project Name</u>	<u>Cost</u>
Fair Hill N.R.M.A.	Repoint Stone Wall	4,000
Patapsco Valley S.P.	Replace Main Water Line	40,000
Fair Hill N.R.M.A.	Stabilize West Abutment – Scotts Mill	50,000
Fair Hill N.R.M.A.	Erosion Control at Bridges 3 and 5	50,000
Rocks S.P.	Drainage Improvements	40,000
Susquehanna S.P.	Stabilization of Structure and Shoreline – Flint Furnace	300,000
Woodmont S.P.	Replace Metal Roofs	24,000
Susquehanna S.P.	Repoint Rock Run Mansion	24,000
Rocky Gap S.P.	Renovate Campground Shower Buildings – Phase II	364,620
Patapsco Valley S.P.	Resurface Roads and Parking Lots, Pickall	500,000
Dan’s Mountain S.P.	Re-roof Pool Building	45,000
Patapsco Valley S.P.	Resurface Entrance Road, Avalon	220,000
Cedarville S.F.	Resurface Entrance Roads and Parking	420,000
Cedarville S.F.	Upgrade Phone System	5,000
Pasadena F.W.C.	Exterior Shop Renovations	22,000
NRP Area 2 Office	Pave Entrance Road and Parking Lot	70,000
Tuckahoe S.P.	Paint Miscellaneous Bldgs.	36,000
State-Wide	Contingency Fund	60,000
Wye Mills Office	Renovate HVAC	17,000
Elk Neck S.P.	Re-roof Seven Buildings	66,000
Fair Hill N.R.M.A.	Re-roof Covered Bridge	20,000
Susquehanna S.P.	Renovate Shop Exterior	20,000
Fair Hill N.R.M.A.	Install Metal Siding – Hunter Hay Barn	24,000
Fair Hill N.R.M.A.	Re-roof Six Buildings	135,000
Gunpowder Falls S.P.	Re-coat Gutters – Monkton Train Sta.	7,500
Patapsco Valley S.P.	Re-roof Restroom – McKeldin	7,500
Susquehanna S.P.	Replace Campground Well Pumps	12,000
Dan’s Mountain S.P.	Paving of Day Use Parking Lots and Roads	329,000
NRP Hillsboro Office	Roof Shingle Replacement	24,000
	Total	\$5,470,000

NCR: Northern Central Railroad

Executive’s Operating Budget Impact Statement

(\$ in Thousands)

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Estimated Operating Costs	\$0	\$30	\$80	\$30	\$30
Estimated Staffing	0	0	0	0	0

Capital Project Cost Estimate Worksheet

Department: Department of Natural Resources
Project Number: K00A0510
Project Title: Cedarville Fish Hatchery – Renovation
Analyst: Amanda M. Mock

Structure

New Construction:	0 Sq. Ft. X	\$0.00 Sq. Ft. =	\$0
New Construction:	0 Sq. Ft. X	\$0.00 Sq. Ft. =	0
Renovation:	0 Sq. Ft. X	\$0.00 Sq. Ft. =	0
Renovation:	0 Sq. Ft. X	\$0.00 Sq. Ft. =	0
Built-in Equipment			0
Demolition			0
Information Technology	0 GSF X	\$0.00 GSF =	0
Telecommunications			0
Miscellaneous – Other			0
Miscellaneous – Other			0
Miscellaneous – Other			0
Subtotal			\$0
Regional Factor:	125.0%		0
Subtotal			\$0
Escalation to Mid-point:	2.67 Yrs. X	8.0% =	21.33%
Total Cost of Structure (Bid Cost)			\$0

Site Work and Utilities

Site Improvements:	1,200,000 + regional factor + mid-point escalation	\$1,820,000
Utilities:	0 + regional factor + mid-point escalation	0
Project Subtotal (Bid Cost)		\$1,820,000

Fees and Miscellaneous Costs

Green Building Premium	0.0%	\$0
Total Construction Contingency	5.0%	90,998
Inspection Cost:	4.6%	83,718
Miscellaneous: CPM Schedule		12,000
Miscellaneous: Reviews/Permits		7,000
A/E Fee through Construction Phase @	9.6%	191,094
Total Cost of Project		\$2,204,810

Base Cost Per New Square Foot	\$0
Adjusted Cost Per New Square Foot (incl. escalation, contingencies & Green Bldg.)	\$0
Base Cost Per Renovated Square Foot	\$0
Adjusted Cost Per Renovated Square Foot (incl. escalation, conting. & Green Bldg.)	\$0

Capital Project Cost Estimate Worksheet

Department: Department of Natural Resources
Project Number: K00A0510
Project Title: Pocomoke River State Park – Septic System
Analyst: Amanda M. Mock

Structure

New Construction:	0 Sq. Ft. X	\$0.00 Sq. Ft. =	\$0
New Construction:	0 Sq. Ft. X	\$0.00 Sq. Ft. =	0
Renovation:	0 Sq. Ft. X	\$0.00 Sq. Ft. =	0
Renovation:	0 Sq. Ft. X	\$0.00 Sq. Ft. =	0
Built-in Equipment			0
Demolition			0
Information Technology	0 GSF X	\$0.00 GSF =	0
Telecommunications			0
Miscellaneous – Other			0
Miscellaneous – Other			0
Miscellaneous – Other			0
Subtotal			\$0
Regional Factor:	125.0%		0
Subtotal			\$0
Escalation to Mid-point:	2.00 Yrs. X	9.0% =	18.00%
Total Cost of Structure (Bid Cost)			\$0

Site Work and Utilities

Site Improvements:	150,000 + regional factor + mid-point escalation	\$221,250
Utilities:	2,275,000 + regional factor + mid-point escalation	3,355,625
Project Subtotal (Bid Cost)		\$3,576,875

Fees and Miscellaneous Costs

Green Building Premium	0.0%	\$0
Total Construction Contingency	5.0%	178,844
Inspection Cost:	4.6%	164,536
Miscellaneous: CPM Schedule		30,000
Miscellaneous: Feasibility Study		58,000
Miscellaneous: Permits		28,000
A/E Fee through Construction Phase @	9.0%	352,286
Total Cost of Project		\$4,388,541

Base Cost Per New Square Foot	\$0
Adjusted Cost Per New Square Foot (incl. escalation, contingencies & Green Bldg.)	\$0
Base Cost Per Renovated Square Foot	\$0
Adjusted Cost Per Renovated Square Foot (incl. escalation, conting. & Green Bldg.)	\$0

Rural Legacy Program (Statewide)

PAYGO SF	\$13,467,626	Recommendation: Approve
GO Bonds	\$5,000,000	

Bill Text: Provide funds for the purchase of conservation easements and the acquisition of land. The funds appropriated for this purpose shall be administered in accordance with Sections 5-9A-01 through 5-9A-07 of the Natural Resources Article.

Program Description: The purpose of the Rural Legacy Program is to protect agricultural and natural resources land from sprawl development and thus to promote resource-based economies and to develop greenbelts. Program funds are used to purchase conservation easements on land. Under 5-9A-09 of the Natural Resources Article, the Governor is required to include at least \$5.0 million in the annual capital budget for the Rural Legacy Program.

A board composed of the Secretaries of the Departments of Natural Resources (DNR), Planning, and Agriculture administers Rural Legacy. Local governments, or land trusts with endorsements from local governments, may submit applications for designation as a Rural Legacy area. These local governments and land trusts are Rural Legacy sponsors. An advisory committee appointed by the Governor and confirmed by the Senate reviews applications and makes recommendations to the Rural Legacy Board.

In order to qualify as a Rural Legacy area, an application must meet the following criteria associated with the area, plan, and parties to the proposal:

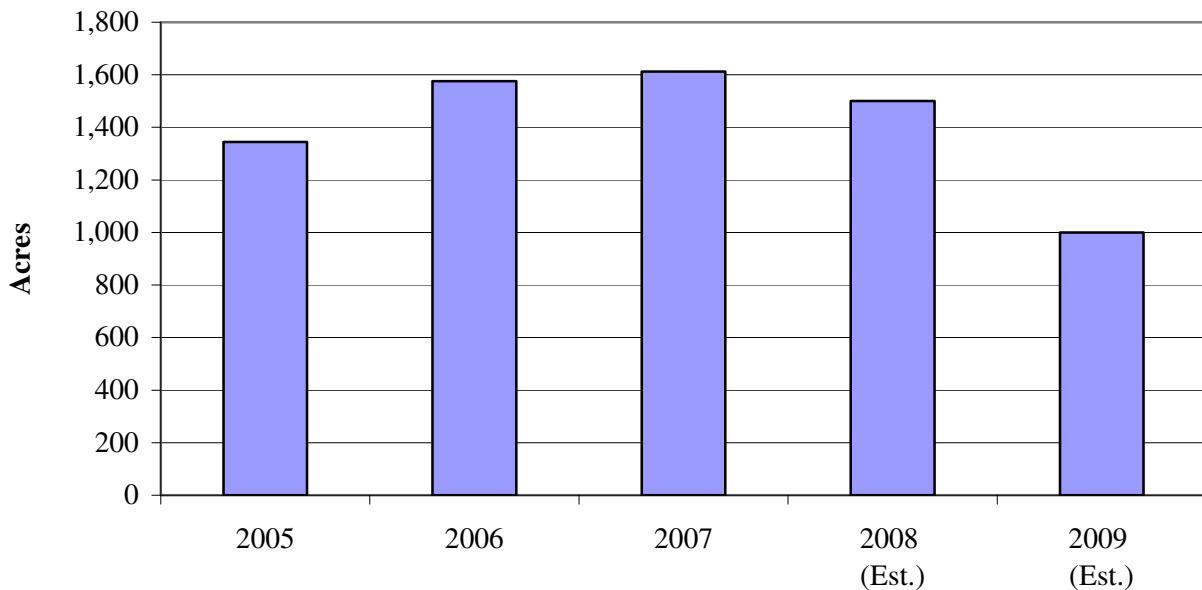
- The proposal must address the goals and objectives of the program. Specifically, the area must protect agricultural, natural, and cultural resources and enhance the completion of ongoing land protection efforts. The program considers the size of the land and its proximity to existing greenbelts.
- The proposal must be realistic in its ability to achieve the easement or land acquisition. There should be a reasonable plan and strategy for the phasing of the conservation efforts set forth in the proposal.
- The parties involved, including the sponsor and the local governmental entity, should be willing to donate financial and personnel support in order to ensure timely and efficient acquisition, management, and monitoring.

Program Performance Analysis: As illustrated in **Exhibit 8**, DNR is anticipating a decrease in the number of Rural Legacy easement and fee simple acres approved by the Board of Public Works in

K00A0505 – Department of Natural Resources – PAYGO

fiscal 2008 and 2009. Furthermore, while DNR anticipated approval of 4,535 acres in fiscal 2007, only 1,613 acres were approved. **DNR should discuss why it was not able to meet its fiscal 2007 goal and whether the fiscal 2008 and 2009 goals are realistic.**

Exhibit 8
Rural Legacy Easement and Fee Simple Acres
Approved by the Board of Public Works
Fiscal 2005-2009



Sources: Governor's Budget Books, Fiscal 2007-2009

Comments: The fiscal 2009 allowance provides \$13.5 million in special funds and \$5.0 million in general obligation (GO) bond funds for the Rural Legacy Program. These funds would be used to preserve an estimated 2,800 acres. The fiscal 2009 allowance is \$2.4 million, or 11.7%, less than the program's fiscal 2008 funding level. The provision of \$5.0 million in GO bond funding in fiscal 2009 is consistent with the 2007 *Capital Improvement Program*.

Rural Legacy Fund Data

(\$ in Millions)

<i>Description</i>	<i>2007 Approp.</i>	<i>2008 Approp.</i>	<i>2009 Request</i>	<i>2010 Estimate</i>	<i>2011 Estimate</i>	<i>2012 Estimate</i>	<i>2013 Estimate</i>
PAYGO SF	\$26.050	\$20.921	\$13.468	\$15.650	\$16.950	\$17.100	\$17.300
GO Bonds	0.000	0.000	5.000	5.000	5.000	5.000	5.000
Total	\$26.050	\$20.921	\$18.468	\$20.650	\$21.950	\$22.100	\$22.300

Recommended Actions

1. Amend the following language:

Rural Legacy Program. Provide funds for the purchase of conservation easements and the acquisition of land. The funds appropriated for this purpose shall be administered in accordance with Section 5-9A-01 through 5-9A-09 of the Natural Resources Article. Provide funds for Department of Natural Resources (DNR) Capital Development Projects initially funded in fiscal 2008. Provided that this authorization may only be used to fund the following projects: North Point State Park – Stone Revetment, Seawall, Fishing Platform; Cedarville Fish Hatchery Pipe Replacement/Pond Relining; Deep Creek Lake Bathhouse; Susquehanna State Park – Bathhouse Renovations; Jane’s Island State Park – Nature Center Renovations/Improvements; Point Lookout State Park – Administration Building Renovations; Black Walnut Point Natural Resources Management Area – Shore Erosion Control; Assateague State Park – Nature Center Replacement; and Pocomoke River State Park – Milburn Landing Bathhouse Replacement.

Further provided that prior to any expenditure of these funds DNR shall provide the budget committees with a letter indicating the amount of each project intended to be funded with this authorization. The budget committees shall have 45 days to review and comment upon receipt of the letter.

Explanation: The General Assembly is concerned that the write-down in the fiscal 2009 transfer tax revenue estimate has inhibited the completion of Department of Natural Resources capital development projects that were funded in fiscal 2008 and that require fiscal 2009 construction funding. Therefore, the General Assembly restricts the \$5.0 million general obligation bond appropriation for the Rural Legacy Program to Capital Development Projects initially funded in fiscal 2008 for design but for which reduced State transfer tax revenue preclude fiscal 2009 construction funding.

K00A0505 – Department of Natural Resources – PAYGO

Information Request	Authors	Due Date
Letter concerning the expenditure of funds on capital development projects that were funded in fiscal 2008 and that require fiscal 2009 construction funding	DNR	Prior to the expenditure of the Rural Legacy Program fiscal 2009 \$5.0 million general obligation bond appropriation

Fiscal 2009 Proposed Rural Legacy Projects

Not available.

Fiscal 2008 Rural Legacy Project Status

Not available. Decisions expected in late February or March 2008.

Ocean City Beach Maintenance Local Share (Worcester County)

PAYGO SF **\$1,000,000** **Recommendation: Approve**

Program Description: The Ocean City Beach Maintenance Fund was established to fund annual maintenance for the Ocean City beach replenishment project. When the fund was established, the State entered into a funding agreement with Worcester County and Ocean City. The funding agreement stipulates that the following amounts be provided annually: not less than \$1.0 million from the State and not less than \$500,000 each from the county and the city. Periodic nourishment is deemed the most cost-effective method of maintaining the beach over a 50-year period. Transfer tax revenue within Program Open Space (POS) is used to fund the State’s contribution to this effort.

Replenishment of the Ocean City beach is usually done on a four-year cycle. The last major replenishment was completed in November 2006 – approximately 931,000 cubic yards of sand was placed on the beach. The effort included a majority of the beach, but most of the material was placed in three areas: 138th Street to 146th Street; 75th Street to 94th Street; and 29th Street to 36th Street. The U.S. Army Corps of Engineers is responsible for developing estimates, plans, and managing construction contracts for the periodic nourishment efforts. The next periodic nourishment project is scheduled for 2010.

The corps cost estimate for the 2006 project was \$9.1 million, but the actual cost was just under \$8.0 million. The local share of this total periodic nourishment cost was shared by the State (50% – \$1.9 million), Ocean City (25% – approximately \$940,000), and Worcester County (25% – approximately \$940,000). Annual maintenance items, such as grass planting and fence repairs are also the responsibility of the State (50%), Ocean City (25%), and Worcester County (25%). These costs have averaged approximately \$300,000 annually.

Comments: The fiscal 2009 POS critical maintenance/capital development allowance includes \$1.0 million in transfer tax special fund revenue for the State’s share of costs for Ocean City beach maintenance. The \$1.0 million in special funds provided for in this section of the analysis represents Worcester County’s and Ocean City’s funding for their share of the maintenance costs.

Although President George W. Bush’s annual budget requests have not included federal funds, the U.S. Congress usually reinstates funding for this project. If no federal funding is ultimately available, then the State, Ocean City, and Worcester County would need to assume the federal government’s 53% share of the project costs.

According to the financing agreement approved by the State, Ocean City, and Worcester County, if the program’s maintenance fund balance is at or above \$15.0 million then the parties may forego their annual contributions until the balance falls below \$15.0 million. However, interest will continue to accrue to the benefit of the county and Ocean City and be credited toward their next contribution. Assuming the absence of a major storm event, the Department of Natural Resources

K00A0505 – Department of Natural Resources – PAYGO

(DNR) estimates that the fund balance will exceed \$15.0 million in fiscal 2010. **Therefore, DNR should be prepared to discuss why fiscal 2010 funding for this program is included in the 2008 Capital Improvement Program.**

Ocean City Beach Maintenance Fund Data

Fund History

	<i>FY 2007 Actual</i>	<i>FY 2008 Estimated</i>	<i>FY 2009 Estimated</i>
Beginning Balance	\$10,755,909	\$12,049,922	\$13,699,922
Revenue			
Worcester County	\$349,236	\$340,000	\$335,000
State Share (Program Open Space)	1,000,000	1,000,000	1,000,000
Town of Ocean City	350,434	342,000	337,000
Interest	300,330	318,000	328,000
Total Revenue	\$2,000,000	\$2,000,000	\$2,000,000
Total Available	\$12,755,909	\$14,049,922	\$15,699,922
Encumbrances			
Encumbrances	\$0	\$350,000	\$500,000
Expenditures	705,987	0	0
Total Encumbrances	\$705,987	\$350,000	\$500,000
Ending Balance	\$12,049,922	\$13,699,922	\$15,199,922

(\$ in Millions)

<i>Description</i>	<i>2007 Approp.</i>	<i>2008 Approp.</i>	<i>2009 Request</i>	<i>2010 Estimate</i>	<i>2011 Estimate</i>	<i>2012 Estimate</i>	<i>2013 Estimate</i>
PAYGO SF	\$1.000	\$1.000	\$1.000	\$1.000	\$1.000	\$1.000	\$1.000

Recommended Actions

1. Concur with Governor's allowance.

Waterway Improvement Program (Statewide)

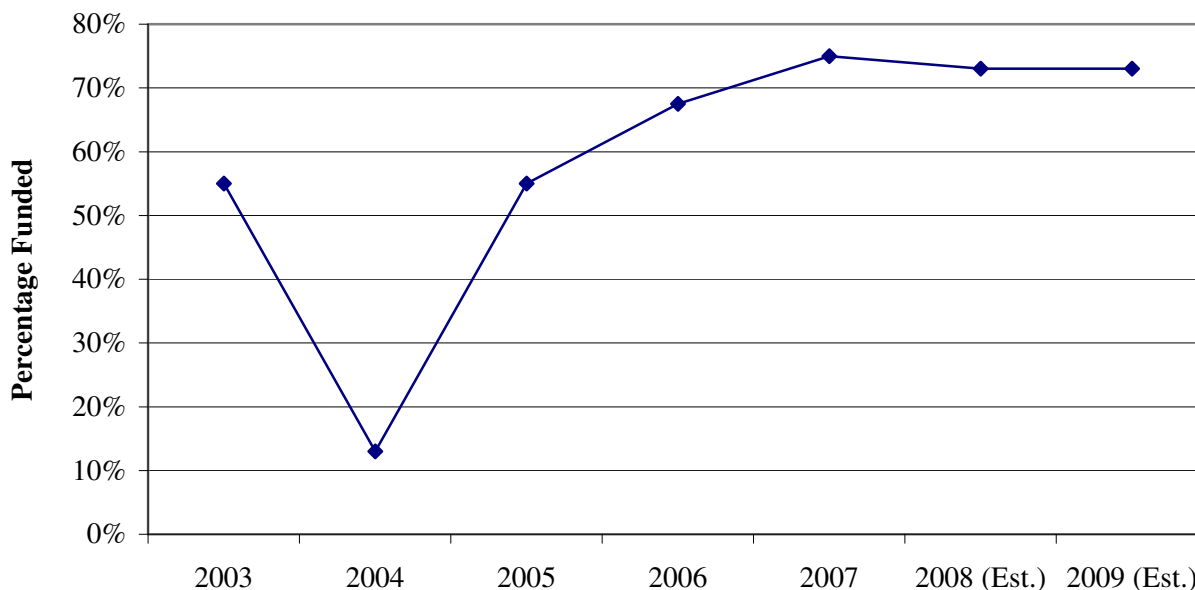
PAYGO SF	\$20,000,000	Recommendation: Approve
PAYGO FF	\$1,300,000	

Program Description: The Waterway Improvement Fund (WWIF) finances projects to expand and improve public boating access throughout the State. Financial support to the fund is derived primarily from the 5.0% excise tax paid on the sale of motorized vessels within the State. Funding is provided in the form of grants and/or long-term, interest free loans to local governments, the Department of Natural Resources (DNR), and some federal government agencies, as follows:

- grants (100%) not to exceed \$5,000;
- grants (100%) less than \$100,000;
- public navigation improvement grants (100%) of unlimited amounts;
- matching grants (50%) that are equal to or exceed \$100,000; and
- interest free loans (100%) with a 25-year maximum.

Program Performance Analysis: As illustrated in **Exhibit 9**, the fiscal 2009 allowance will allow WWIF to fund an estimated 73% of the waterway project requests submitted, generally consistent with the two previous fiscal years.

**Exhibit 9
Percent of Waterway Project Requests Funded
Fiscal 2005-2009**



Sources: Governor’s Budget Books, Fiscal 2008-2009; Department of Natural Resources

Comments: The fiscal 2009 allowance provides \$21.3 million for 131 waterway projects around the State. Unlike other various forms of State-imposed sales taxes which were increased during the special session of 2007, the boat excise tax was not increased and remains at 5.0% on the sale of motorized vessels within the State. If the tax had been increased an additional 1.0%, it is estimated that an additional \$5.0 million annually would be available for Waterway Improvement Fund projects. In fiscal 2009, DNR anticipates that boat excise tax revenue will decline, and the U.S. Fish and Wildlife Service will provide grant funding from the Boating Access and Boating Infrastructure grants program. The program’s fiscal 2009 funding would be allocated to the following categories of projects:

<u>Category</u>	<u>Number of Projects</u>	<u>Amount</u>
State Grants (<\$100,000)	55	\$4,035,250
State Grants (>\$100,000)	47	13,731,830
Matching Fund Grants	28	3,092,700
Loans	1	440,220
Total	131	\$21,300,000

Waterway Improvement Fund Data

Prior Program Activity – All Fund Sources (\$ in Millions)

	<i>FY 2004</i>	<i>FY 2005</i>	<i>FY 2006</i>	<i>FY 2007</i>	<i>FY 2008*</i>
Encumbrances	\$0.331	\$12.450	\$21.316	\$26.180	\$27.700
Expenditures	\$7.509	\$8.052	\$9.532	\$15.647	\$9.205

*As of 1/2008

Authorization Summary (\$ in Millions)

<i>Fiscal Year</i>	<i>Authorization</i>	Funds		Balances	
		<i>Encumbered</i>	<i>Expended</i>	<i>To Be Encumbered</i>	<i>To Be Expended</i>
Prior Years	\$60.686	\$60.686	\$58.530	\$0.000	\$2.156
2004	3.331	3.331	3.194	0.000	0.138
2005	12.450	12.450	8.289	0.000	4.161
2006	21.316	21.316	12.272	0.000	9.044
2007	26.181	26.181	8.996	0.000	17.184
2008	27.700	26.460	0.613	0.627	27.087
Total	\$151.664	\$150.424	\$91.894	\$0.627	\$59.770

Authorization Request (\$ in Millions)

<i>Description</i>	<i>2007 Approp.</i>	<i>2008 Approp.</i>	<i>2009 Request</i>	<i>2010 Estimate</i>	<i>2011 Estimate</i>	<i>2012 Estimate</i>	<i>2013 Estimate</i>
PAYGO SF	\$25.000	\$26.700	\$20.000	\$20.400	\$20.500	\$20.500	\$20.500
PAYGO FF	1.000	1.000	1.300	0.500	0.300	0.300	0.300
Total	\$26.000	\$27.700	\$21.300	\$20.900	\$20.800	\$20.800	\$20.800

Recommended Actions

1. Concur with Governor’s allowance.

Fiscal 2009 Proposed Waterway Projects

<u>County</u>	<u>Project Location</u>	<u>Project Description</u>	<u>Grant Type</u>	<u>Funding Amount</u>
Anne Arundel	Truxtun Park	Replace boat ramp and "L" pier; add access pier at ramp and other misc.-related improvements at Truxtun Park.	LG	\$99,000
Anne Arundel	City of Annapolis Citywide Improvements	Upgrade and maintain public boating facilities throughout the city of Annapolis.	LG	99,000
Anne Arundel	Annapolis Maritime Museum Public Facility Boating Access Improvement	Extend and improve piers for the transient boating public.	LG	99,000
Anne Arundel	Warehouse Creek	Install navigational aids to improve access for the boating public.	MFDG	20,000
Anne Arundel	Carrs Creek	Main channel dredging to restore access for the boating public.	MFDG	394,000
Anne Arundel	Broadwater Creek	Main channel dredging to restore access for the boating public.	MFDG	160,500
Anne Arundel	Parrish Creek Federal Channel	Provide local dredge material placement site for proposed Corps of Engineers dredging project.	DG	1,416,000
Anne Arundel	Sandy Point State Park Boat Ramp	Complete engineering phase to repair scour at existing boat ramps.	SP	75,000
Anne Arundel	Sandy Point State Park Bulkhead Replacement	Replacement deteriorating bulkheads at public boating facility.	SP	1,600,000
Baltimore City	Fort Armistead Breakwater	Replace existing storm damaged breakwater that protects existing boat ramp.	DG	500,000
Baltimore City	Downtown Sailing Center (DSC) Baltimore Development Corp.	Complete various improvements to improve access for the transient boating public.	LG	99,000
Baltimore City	Finger Pier Public Boating Welcome and Information Center (Security Point) Baltimore Development Corp.	Improve Information Center which provides boat docking information, security lighting, and trash receptacles for transient boaters.	MF	30,000
Baltimore City	Inner Harbor/Harbormaster Boat Baltimore Development Corp.	Patrol vessel for public boating facilities.	MFFR	25,000

K00A0505 – Department of Natural Resources – PAYGO

<u>County</u>	<u>Project Location</u>	<u>Project Description</u>	<u>Grant Type</u>	<u>Funding Amount</u>
Baltimore City	Inner Harbor Waterway Baltimore Development Corp.	Boating facility camera security/management system at public boating facilities.	MF	25,000
Baltimore City	Baltimore Citywide Boating Facilities Canton, Ft. Armistead, Middle Branch Parks	Renovate existing boat ramps and parking areas.	LG	50,000
Baltimore City	Baltimore City Fire Department	Purchase new equipment for Dive Team and fire boats.	MFFR	10,000
Baltimore County	Shallow Creek Maintenance Dredging	Maintenance dredge existing channels for the benefit of the boating public.	MFDG	75,000
Baltimore County	Middle River Maintenance Dredging	Maintenance dredge navigation channels in Middle River and tributaries including Sue, Norman, Hopkins, Hogpen, Galloway, Frog Mortar, Dark Head Creeks, and Chestnut/Greyhound Coves.	MFDG	700,000
Baltimore County	Bear Creek Tributary Maintenance Dredging- Construction	Maintenance dredges Tabasco Cove, Schoolhouse Cove, Chink Creek, and Lynch Cove.	MFDG	100,000
Baltimore County	Pleasure Island Beneficial Use and Dredging Project	Maintenance dredge existing channel and complete shoreline stabilization protection project with dredged material at Pleasure Island.	DG	750,000
Baltimore County	Baltimore County Dept. of Environmental Protection and Resource Management (DEPRM) Countywide SAV Monitoring	Complete Submerged Aquatic Vegetation (SAV) surveys for local dredging projects.	DG	75,000
Baltimore County	Baltimore County DEPRM Countywide Aids to Navigation	Install buoys and markers in local public navigation channels for the benefit of the general boating public.	DG	99,000
Baltimore County	Baltimore County Fire Department Countywide	Purchase equipment for the swift water rescue teams.	MFFR	15,000
Baltimore County	Fort Howard Park	Engineer renovations to existing storm damaged pier/moorings for the benefit of the boating public.	LG	25,000
Baltimore County	Southwest Area Park Boat Ramp	Resurface and install bio-retention area and other improvements at existing parking lot for the boating public.	LG	25,000
Baltimore County	Kingsville Vol. Fire Co.	Replace and purchase additional water rescue equipment.	MFFR	9,000
Baltimore County	Arbutus Volunteer Fire Department	Acquire additional water rescue equipment.	MFFR	10,500
Calvert	North Beach Pier Town of North Beach	Dredge existing transient slips at town pier.	DG	100,000

K00A0505 – Department of Natural Resources – PAYGO

<u>County</u>	<u>Project Location</u>	<u>Project Description</u>	<u>Grant Type</u>	<u>Funding Amount</u>
Caroline	Ganey's Wharf	Replace existing pier/bulkhead. Make pier American's with Disabilities Act (ADA) accessible.	LG	99,000
Caroline	Choptank Marina ADA Pier with Floating Dock	Engineering and construct an ADA-accessible pier and floating dock	LG	25,000
Caroline	G. Daniel Crouse Memorial Park Wharves at Choptank Crossing	Complete replacement of existing boat landing and wharf at Crouse Park in Denton.	MF	106,000
Caroline	Martinak State Park Floating Dock	Install finger piers, utilities, upgrade lighting, replace comfort station doors, and make other misc. improvements to improve ADA access.	SP	60,000
Caroline	Veterans of Foreign Wars Boat Ramp Town of Federalsburg	Install solar powered lights at boat ramp.	LG	12,000
Carroll	Double Pipe Creek Water Trail	Install two small pavilions (Kiosk) at county's first water trail along Big Pipe and Double Pipe Creeks.	LG	8,000
Cecil	Marina Park, Port Deposit	Complete engineering analysis to replace bulkhead/dock.	LG	10,000
Cecil	Town Pier Dredging Town of Charlestown	Dredge existing town pier for transient boaters.	DG	30,000
Cecil	Stemmers Run Boating Facility	Engineer dredging project, breakwater, and misc. storm damage repairs at existing boat ramp.	SP	75,000
Cecil	Elk Neck State Park Rogues Harbor	Engineer breakwater to protect boating facility at Rogues Harbor.	SP	75,000
Cecil	Elk Neck State Park Rogues Harbor Boating Facility	Repair/replace boat launch catwalks and decking.	SP	150,000
Cecil	Transient Boat Pier Town of North East	Provide electric service to piers and install ice eaters, ADA accessible floating dock, solar lighting for security, handrail for ADA access at stone revetment from parking lot, and other misc. improvements for the benefit of transient boaters.	LG	83,250
Cecil	Perryville Transient Boat Pier	Install floating pier with transient slips and additional tie-ups for transient boaters.	MF	500,000
Cecil	Elk River Park River Bend Marine Facilities	Design for park office/restrooms facilities and concession area phase at proposed public boating facility.	LG	25,000
Cecil	Elk River Park River Bend Boat Ramp	Construct boat ramp, pier(s), parking, access road, and other misc. improvements for the boating public.	LG	99,000
Charles	Mattingly Park Slavins Landing, Town of Indian Head	Construct auxiliary/additional parking area for the boating public.	LG	99,000

K00A0505 – Department of Natural Resources – PAYGO

<u>County</u>	<u>Project Location</u>	<u>Project Description</u>	<u>Grant Type</u>	<u>Funding Amount</u>
Charles	Nanjemoy Creek Dredging	Dredge navigation channel to improve access to the public boat ramp.	DG	150,000
Charles	Smallwood State Park Sweden Point Marina	Resurface parking/storage lot and access road. Re-strip entrance road.	SP	350,000
Charles	Tenth District Volunteer Fire Department Marbury/Charles County	Replace existing fire/rescue boat.	MFFR	50,000
Charles	Mallows Bay/Wilson Farm	Construct public boat ramp, pier, access road, gravel parking lot, and other misc. improvements.	LG	99,000
Dorchester	Hoopers Island Dock	Replace bulkhead, construct dock and maintenance dredge.	LG	50,000
Dorchester	Great Marsh Boat Ramp, City of Cambridge	Replace existing boat ramp, pier ,and wing walls.	LG	99,000
Dorchester	Elliott's Island Marina Dorchester County	Repair existing jetty at county marina.	LG	95,000
Dorchester	Chapel Cove	Dredging channel to improve boating access to ramp and county dock.	DG	75,000
Dorchester	Countywide Boat Ramps and Docks	Provide general maintenance and improvements at local public boating facilities.	LG	99,000
Dorchester	Vienna Waterfront Park Phase II	Stabilize shoreline and provide additional public access to boaters.	LG	50,000
Dorchester	Cambridge Marine Terminal	Construct marine railway for servicing state vessels and equipment.	SP	150,000
Frederick	Town of Brunswick – Boat Ramp Re-alignment for ADA access	Replace existing ramp and improve roadway to improve boating and ADA access.	LG	99,000
Frederick	Cunningham Falls State Park	Install lights at boat ramp and pier at Cunningham Falls State Park.	SP	30,000
Garrett	Friendsville Community Park	Design comfort station and parking area..	LG	25,000
Garrett	Deep Creek Lake State Park Boat Launch Facility	Improve area currently used to launch kayaks and car top boats.	SP	55,000
Garrett	Jennings Randolph Lake	Repair/replace lighting at boat launch and parking area. Includes paving parking lot.	SP	250,000
Harford	Havre de Grace – City Yacht Basin Pier Replacement Phase III	Replacement of existing piers, pilings, boat slips, and utilities.	MF	99,000
Harford	Havre de Grace – City Yacht Basin Piers and Ramp Replacement	Replace boat ramp and boarding dock.	LG	45,000

K00A0505 – Department of Natural Resources – PAYGO

<u>County</u>	<u>Project Location</u>	<u>Project Description</u>	<u>Grant Type</u>	<u>Funding Amount</u>
Harford	Susquehanna State Park Lapidum Boating Facility	Expand existing parking lot, repair breakwaters, replace existing floating dock and install automatic gate at Lapidum Boating Facility.	SP	270,000
Harford	Willoughby Beach Launching Ramp	Renovate existing piers, launching ramps, bulkhead, and parking area..	LG	99,000
Harford	Swan Creek Channel Dredging	Maintenance dredge existing channel for the benefit of the boating public.	DG	125,000
Harford	Joppatowne Dredging	Engineer to dredge existing channels in the Gunpowder River, Taylor Creek, and Rumsey Island.	DG	75,000
Harford	Tydings Island Dredge Material Placement Renovation	Create additional capacity at Tydings Island DMP site.	DG	100,000
Harford	Swan Harbor Farm Stone Sill and Marsh Planting	Complete shoreline protection project at Swan Harbor Farm adjacent to existing boating pier.	DG	100,000
Howard	Centennial Lake boat Launch/Fishing Pier	Complete boat launch and boating access pier.	LG	99,000
Kent	Cannon Street Bulkheading Town of Chestertown	Replace Cannon Street bulkhead and surface parking lot for benefit of boating public.	LG	50,000
Kent	Bayside Landing Park Rock Hall	Install chain link fence to control parking at boat ramp facility.	LG	50,000
Kent	Bayside Landing Park Rock Hall	Replace electrical service at existing boat slips.	LG	99,000
Montgomery	Little Seneca Lake and Lake Needwood Maryland National Capital Parks and Planning Commission	Repair/upgrade docks on Little Seneca Lake to provide ADA access and add floating dock for patrol boat at Lake Needwood.	LG	99,000
National Park Service	Chesapeake and Ohio Canal National Historic Park – Parkwide Ramp Improvements	Provide general improvements to public boat ramps throughout the park.	LG	99,000
Prince George's	Prince George's County Volunteer Marine Fire Rescue, Inc.	Purchase fire/rescue boat.	MFFR	50,000
Prince George's	Fort Washington Marina Docks D & E	Construction funds to replace existing floating dock and complete other improvements at Fort Washington Marina.	SP	250,000
Prince George's	Prince George's County Fire/Emergency Medical Services Water Rescue Enhancement	Acquire side scan sonar equipment.	MFFR	20,000

K00A0505 – Department of Natural Resources – PAYGO

<u>County</u>	<u>Project Location</u>	<u>Project Description</u>	<u>Grant Type</u>	<u>Funding Amount</u>
Queen Anne's	First Avenue Dock Town of Queenstown	Replace failing bulkhead and decking.	LG	50,000
Queen Anne's	Queen Anne's Waterman's Boat Basin	Maintenance dredge approximately existing boat slips.	DG	95,000
Queen Anne's	Queen Anne's County Marinas at Dominion and Centreville	Maintenance dredge boat slips.	DG	72,000
Queen Anne's	United Communities Volunteer Fire Dept. Fire/Rescue Vessel	Purchase fire/rescue boat to improve boating safety for boating public.	MFFR	50,000
Queen Anne's	Thompson Creek Boat Ramp	Replace existing deteriorated ramp and protect adjacent shoreline.	MF	150,000
Queen Anne's	Centreville Wharf Extension-Countyside Countyside	Construct ADA compliant boardwalk and transient boat dock for boating public.	LG	99,000
Queen Anne's	Centreville Wharf Extension-Southside South Side	Shoreline restabilization and boardwalk project for transient boaters.	LG	30,000
Somerset	Deal Island/Chance Volunteer Fire Co.	Rehabilitate fire/rescue boat.	MFFR	15,200
Somerset	Collins Street Pier New City Boating Pier	Engineer/construct new boating pier.	LG	25,000
Somerset	Somers Cove Marina	Redeck/repair Pier "C," repair swimming pool and entrance gate, replace water valves, and replace Pier "G."	SP	460,000
Somerset	Crisfield Marine Terminal Pier Redecking	Replace decking and cross bracing on Natural Resources Police (NRP) pier.	SP	75,000
Somerset	Lori Quinn Drive Pier City of Crisfield	Add "T" section on end of existing pier.	LG	99,000
Somerset	Countywide Maintenance	Maintain and improve existing countywide public boating facilities.	LG	99,000
Somerset	Tylerton Bulkheading	Replace bulkhead at Tylerton Marina.	LG	99,000
Somerset	Jenkins Creek Dock Replacement	Replace deteriorating public dock on Jenkins Creek.	LG	99,000
Somerset	Webster's Cove Shoreline Protection	Complete shoreline/jetty to prevent siltation of current channel at Websters Cove.	DG	200,000
Somerset	Janes Island State Park Marina Facility	Complete various improvements including installing finger piers, piling, utilities, lighting, and make other misc. repairs to marina infrastructure.	SP	200,000
St. Mary's	Golden Beach Fire Station Mechanicsville, Maryland	Acquire fire/rescue boat and equipment to improve safety for the boating public.	MFFR	4,500
St. Mary's	Piney Point NRP Facility	Design replacement pier, floating docks, mooring piles, electric, and install boat ramp.	SP	80,000

K00A0505 – Department of Natural Resources – PAYGO

<u>County</u>	<u>Project Location</u>	<u>Project Description</u>	<u>Grant Type</u>	<u>Funding Amount</u>
St. Mary's	Kingston Creek Waterway Improvement Taxing District	Repair/replace timber jetties and maintenance dredge existing channel for the boating public.	TDDG	440,220
St. Mary's	Leonardtown Wharf Public Waterfront Park	Construct piers, tie-ups, and transient slips for boats.	MF	200,000
St. Mary's	Maintain and Improve County Public Boating Facilities.	Maintain and improve local public boating facilities.	LG	99,000
Statewide	Replace Motor Vessel J.M. Tawes	Supplemental funds to replace Motor Vessel J.M. Tawes and acquire NRP vessels.	ST	1,000,000
Statewide	Acquire Natural Resource Police Patrol Vessels	Funding to replace existing patrol boats that serve the boating public.	ST	375,800
Statewide	Statewide Boating Access Site Assessment Study	Complete a detailed site assessment of proposed new public boating access facilities in State waterways including those within the John Smith National Water Trail.	ST	350,000
Statewide	Federal Sportfish Restoration and B.I.G. Boating Access Projects	Cover local cost share for federal B.I.G. and Sportfish Restoration boating access grant projects.	ST	250,000
Statewide	Maintenance Dredging	Complete dredging/navigation/storm damage projects in designated public navigation channels or publicly owned boating facilities that occur outside the budget cycle or exceed appropriated funding amount statewide.	ST	499,030
Statewide	Shore Erosion Control Projects – Statewide	Complete boating related shoreline protection projects.	ST	750,000
Statewide	Marine Sewage Pump-out	Cover local cost share for federal funds to install marine sewage pump-out stations.	ST	100,000
Talbot	Honeymoon Bridge Foot of Cherry Street	Replace footbridge and adjacent existing boat slips.	MF	110,000
Talbot	Bellevue Landing	Improve existing parking lot that serves existing public landing.	LG	50,000
Talbot	Claiborne Landing	Improve existing parking lot that serves existing public landing.	LG	50,000
Talbot	Neavitt Landing Parking Lot Improvement	Improve existing parking lot that serves existing public landing.	LG	75,000
Talbot	Talbot Countywide Maintenance	Maintain and improve local public boating facilities.	LG	99,000
Talbot	Tongers Basin – Tilghman Island Volunteer Fire Dept. Tilghman Island	Provide boat slip/electrical service for local fire/rescue boat.	MFFR	15,000
Talbot	Town of St. Michaels – Mulberry Street Bulkhead Replacement	Replacement bulkhead at end of Mulberry Street.	LG	99,000

K00A0505 – Department of Natural Resources – PAYGO

<u>County</u>	<u>Project Location</u>	<u>Project Description</u>	<u>Grant Type</u>	<u>Funding Amount</u>
Talbot	Chesapeake Bay Maritime Museum Facility Maintenance – Transient Boat Dockage	Replace bulkheads at museum for transient boaters.	MF	99,000
Washington	Town of Williamsport River Bottom Park	Reconstruct existing boat ramp and improve existing parking area used by the boating public.	LG	99,000
Washington	Greenbrier State Park Boat Ramp Improvements	Replace existing deteriorated boat ramp pier.	SP	60,000
Wicomico	Nanticoke Harbor Jetty Replacement	Design and restore deteriorated jetties and dredge harbor.	DG	700,000
Wicomico	Pirate’s Wharf Park	Develop plan and construction estimate to develop new boating facility on Wicomico River.	LG	99,000
Wicomico	Countywide Boating Facilities	Maintain and improve local public boating facilities.	LG	99,000
Worcester	Assateague State Park	Acquire a patrol boat for Assateague State Park	SP	20,000
Worcester	Pocomoke City Citywide boating facilities upgrades	Maintain and improve existing public boating facilities at Laurel Street and Winter Quarters including install safety ladders, pile caps, replace worn decking, and other misc. improvements.	LG	99,000
Worcester	Pocomoke River State Park Shad Landing Channel Dredging	Dredge entrance channel into Shad Landing Marina	SP	100,000
Worcester	Ocean City Boat House Natural Resources Police	Re-roof the NRP boat house in West Ocean City.	SP	40,000
Worcester	Ocean City Boat House Natural Resources Police	Dredge the entrance channel to the NRP boat house in Ocean City.	SP	20,000
Worcester	West Ocean City Replace Finger Piers	Repair existing finger piers and engineer new ramp	LG	57,000
Worcester	Taylor Landing Parking Lot Resurfacing	Reconstruct and surface existing parking area to meet ADA requirements.	LG	50,000
Worcester	South Point Boat Ramp	Relocate existing ramp to improve boat launching.	LG	50,000
Worcester	Public Landing Marina Finger Piers and Water and Sewer Connection	Construct finger piers with water and sewer connections to provide safe harbor and facilities for the boating public.	LG	99,000
Worcester	Ocean City Fire and Rescue Boat	Acquire a fire/rescue boat and equipment to service the boating public.	MFFR	50,000
Worcester	Byrd Park South	Replace and improve boat ramp at Byrd Park South.	LG	99,000
			Subtotal	\$20,000,000

K00A0505 – Department of Natural Resources – PAYGO

<u>County</u>	<u>Project Location</u>	<u>Project Description</u>	<u>Grant Type</u>	<u>Funding Amount</u>
Federally Funded Waterway Improvement Fund Projects				
Statewide	Statewide	Federal cost share for proposed U.S. Fish and Wildlife approved projects. Proposed projects include a new public boat ramp facility at Elk River Park in Cecil County and improving an existing boat facility at Truxtun Park in Annapolis.	SP	\$1,300,000
			Grand Total	\$21,300,000

Key

- DG: 100% dredging/navigation
- LG: 100% local grant
- MF: matching funds local governments
- MFFR: matching funds fire/rescue
- MFDG: matching funds dredging grants
- SP: 100% State project
- ST: statewide project

Fiscal 2008 Waterway Project Status

<u>County</u>	<u>Location</u>	<u>Description</u>	<u>Grant Type</u>	<u>Funding Amount</u>	<u>Status</u>
Allegany	City of Cumberland	Complete an assessment to determine location for additional boat ramp and related facilities in the city of Cumberland.	LG	\$50,000	Planning
Allegany	Potomac River	Remove existing rubble dam to improve boating access.	LG	95,000	Planning
Anne Arundel	Parish Creek	Maintenance dredge existing federal entrance channel in cooperation with U.S. Army Corps of Engineers.	DG	725,000	Engineering/Design
Anne Arundel	Truxtun Park City of Annapolis	Reconstruct existing public boat ramp and dock.	LG	99,000	Engineering/Design
Anne Arundel	Annapolis Maritime Museum Transient Boating Piers	Extend/replace existing piers for transient boaters at museum.	LG	99,000	Planning
Anne Arundel	Annapolis City Dock	Replace deteriorated bulkheads, slips, walkway, and utilities.	MF	1,800,000	Construction
Anne Arundel	Broadwater Creek	Main channel dredging to restore boating access.	MFDG	905,000	Engineering/Design

K00A0505 – Department of Natural Resources – PAYGO

<u>County</u>	<u>Location</u>	<u>Description</u>	<u>Grant Type</u>	<u>Funding Amount</u>	<u>Status</u>
Anne Arundel	Parish Creek	Maintenance dredge local navigation channels located adjacent to existing federal channel.	MFDG	750,000	Engineering/Design
Anne Arundel	Anne Arundel Countywide Waterway Improvement Project Planning and Submerged Aquatic Vegetation (SAV) Monitoring	Complete feasibility studies, schematic design, SAV monitoring, and permit acquisition for future planned State-funded dredging projects in Anne Arundel County.	MFDG	250,000	Contract
Anne Arundel	Locust Cove	Dredge navigation channel to improve access for the boating public.	MFDG	112,500	Engineering/Design
Anne Arundel	Carrs Creek	Dredge navigation channel to improve access for the boating public.	MFDG	740,000	Engineering/Design
Anne Arundel	City of Annapolis Fireboat	Acquire equipment for fire/rescue boat serving Annapolis.	MFFR	50,000	Planning
Anne Arundel	DNR Facility – 69 Prince George’s Street, Annapolis	Replace deteriorated timber bulkhead and existing dock, install dock, and relocate/enclose existing high voltage electric service panels.	SP	1,700,000	Construction
Anne Arundel	Sandy Point State Park	Engineering funds to design the repairs to the old stone jetty protecting entrance channel to Sandy Point State Park.	SP	50,000	Bid Process
Baltimore City	Downtown Sailing Center (DSC) Marina Construction Phase II	Complete various improvements to provide/improve transient boating access facilities for the public.	LG	99,000	Construction
Baltimore City	Baltimore City Fire Department	Acquire dive team and fire boat equipment.	MFFR	50,000	Planning
Baltimore County	Baltimore Countywide SAV Monitoring	Document SAV in local creeks that have been previously dredged with State funds. Action is also necessary to comply with permit agency requirement to collect SAV data for all new regulatory permits.	DG	99,000	Contract
Baltimore County	Jones Creek - North Point and Old Road Bay Patapsco River	Maintenance dredge existing navigation channels to improve access for the general boating public.	DG	2,880,000	Engineering/Design
Baltimore County	Seneca Creek Dredging	Dredge main public navigation channel to restore access to local waterway.	DG	200,000	Construction
Baltimore County	Pleasure Island Dredging Project	Complete engineering phase to maintenance dredge navigation channel and stabilize existing dredge material placement site.	DG	250,000	Engineering/Design

K00A0505 – Department of Natural Resources – PAYGO

<u>County</u>	<u>Location</u>	<u>Description</u>	<u>Grant Type</u>	<u>Funding Amount</u>	<u>Status</u>
Baltimore County	Middle River Maintenance Dredging	Complete engineering phase to maintenance dredge existing navigation channels in Middle River including Sue, Norman, Hopkins, Hogpen, Galloway, Fog Mortor, and Dark Head Creeks as well as Chestnut and Greyhound Coves.	DG	200,000	Engineering/Design
Baltimore County	Chesterwood Park Derelict Boat Ramp	Construct ramp, pier, and storage area to allow county to remove derelict boats and debris from public waterways.	LG	99,000	Planning
Baltimore County	Baltimore Countywide Aids to Navigation	Inspect, remove, repair, maintain, and replace channel markers installed by county in conjunction with State-funded dredging projects.	LG	99,000	Construction
Baltimore County	Inverness Park Boat Ramp and Pier	Resurface boat ramp parking lot paving and add signage.	LG	47,000	Complete/Awaiting Reimbursement
Baltimore County	Southwest Area Park Boat Ramp	Surface existing entry road to parking lot.	LG	99,000	Planning
Baltimore County	Clement Cove Pier Fleming Community Center and Park	Construct new pier to encourage and enable boaters in Clement Cove to moor vessels.	LG	99,000	Planning
Baltimore County	Loch Raven Reservoir	Overlay existing parking lot and entrance road.	MF	60,000	Complete/Awaiting Reimbursement
Baltimore County	Bear Creek	Maintenance dredge Tabasco Cove, Schoolhouse Cove, Chink Creek, and Lynch Point Cove for the general boating public.	MFDG	180,000	Engineering/Design
Baltimore County	Duck and Deep Creeks Dredging	Maintenance dredge existing navigation channel to restore access to the creeks for the general boating public.	MFDG	110,000	Construction
Baltimore County	Shallow Creek	Complete engineering phase to maintenance dredge existing navigation channel at Shallow Creek for the general boating public.	MFDG	40,000	Engineering/Design
Baltimore County	Baltimore County Police Department	Purchase patrol boat, equipment, and dive gear.	MFFR	50,000	Planning
Baltimore County	White Marsh Volunteer Fire Dept.	Acquire various water rescue equipment.	MFFR	4,158	Planning
Baltimore County	Middle River Volunteer Ambulance	Acquire various water rescue equipment.	MFFR	25,000	Planning

K00A0505 – Department of Natural Resources – PAYGO

<u>County</u>	<u>Location</u>	<u>Description</u>	<u>Grant Type</u>	<u>Funding Amount</u>	<u>Status</u>
Baltimore County	Dundee Creek Marina Gunpowder Falls State Park	Remove and replace the heating oil tank, replace air conditioning (AC) units with central AC in marina concession building, replace iron cast gate on sand filter in boat launch area, and install small boat launch at Dundee Creek Marina.	SP	66,000	Planning
Baltimore County	Hart Miller Island State Park	Remove and replace existing siding on Ranger Station/comfort station and replace heating, ventilation, and air conditioning (HVAC) in Ranger Station on Hart Miller Island.	SP	60,000	Planning
Calvert	Chesapeake Beach	Replace existing deteriorated bulkhead adjacent to boat ramp area.	LG	99,000	Planning
Caroline	Choptank Marina	Maintenance dredge existing marina basin.	DG	300,000	Bid Process
Caroline	Crouse Park	Replace bulkhead at Crouse Park boating basin.	LG	99,000	Construction
Caroline	Hillsboro Boat Ramp	Replace existing boat ramp and access pier to ADA guidelines. Replace existing wooden bulkhead with stone revetment.	LG	99,000	Construction
Caroline	Choptank Marina Service Pier	Design, repair, and construct center service pier at public marina, including structural, electrical, and a fire suppression system.	LG	99,000	Planning
Caroline	Federalsburg Small Boat Dock	Construct boat dock adjacent to new boardwalk area at Marina Park.	LG	26,000	Bid Process
Caroline	Ganey's Wharf	Complete engineering phase to replace existing public pier with a pier compliant with ADA guidelines. Install a floating dock system to allow easier access to those with mobility problems. Improve parking to allow safe convenient parking for the boating public.	LG	30,000	Planning
Caroline	Smithville Lake boating Facility Improvements	Pave existing access road and parking lot, replace existing boat ramp pier, and replace the existing information kiosk.	SP	75,000	Planning
Cecil	Charlestown Boat Ramp	Dredge access channel to existing public boat ramp.	DG	250,000	Engineering/Design
Cecil	Charlestown Fire Boat Pier	Dredge channel to existing fire boat pier.	DG	235,000	Engineering/Design

K00A0505 – Department of Natural Resources – PAYGO

<u>County</u>	<u>Location</u>	<u>Description</u>	<u>Grant Type</u>	<u>Funding Amount</u>	<u>Status</u>
Cecil	Elk River Park	Develop a new public boating access site on the Elk River for the general boating public. Project will consist of a new boat ramp, parking area, bulkhead, boardwalk, and access road.	LG	99,000	Engineering/Design
Cecil	Elk Neck State Park Rouges Harbor	Replace the existing decking on the piers and sidewalk in front of the concession and install exterior lighting at building at Rouges Harbor.	SP	38,000	Planning
Charles	Nanjemoy Creek Dredging	Dredge navigation channel to improve access to an existing public boat ramp.	DG	251,000	Engineering/Design
Charles	Mallows Bay/ Wilson Farm	Construct boat launch, boarding pier, access road, gravel parking lot, handicap parking space, trailer turn-around area, associated fencing, and signage.	LG	99,000	Planning
Charles	Newburg Volunteer Rescue and Fire Dept.	Acquire marine fire/rescue equipment to serve boating public.	MFFR	50,000	Completed/Awaiting Reimbursement
Charles	Nanjemoy Volunteer Fire Dept	Acquire fire/rescue boat to serve boating public.	MFFR	50,000	Bid Process
Charles	Smallwood State Park Sweden Point Marina	Replace sections of existing floating docks at the boat ramp piers, re-side Marina Services Building, and power wash/paint Boat Concession Building.	SP	130,000	Piers/Docks (Planning)/Painting Building (Contract)/Building Renovations (Bid Process for Engineering)
Dorchester	Water Street Vienna	Construct bulkhead to stabilize the shoreline to provide additional access for the boating public.	LG	99,000	Construction
Dorchester	Trenton Street Boat Ramp County Pump-out and Slips	Construct additional boat slips and related amenities.	LG	50,000	Completed Awaiting Reimbursement
Dorchester	Great Marsh Boat Ramp	Reconstruct existing boat ramp and timber pier.	LG	99,000	Engineering/Design
Dorchester	Hoopers Island Dorchester county Dock	Rebuild public dock/bulkhead/pier facility at Hoopers Island. Scope of work includes replacing deteriorated bulkhead/pier and resurfacing the parking lot.	LG	95,000	Engineering/Design
Dorchester	Smithville Ramp	Replace deteriorated bulkhead and surface parking lot/ramp.	LG	75,000	Planning
Dorchester	Municipal Marina City of Cambridge	Construct a platform for a new dock manager's office at the Cambridge Marina.	MF	100,000	Construction

K00A0505 – Department of Natural Resources – PAYGO

<u>County</u>	<u>Location</u>	<u>Description</u>	<u>Grant Type</u>	<u>Funding Amount</u>	<u>Status</u>
Dorchester	Rescue Fire Company	Acquire new fire/rescue boat to serve the boating public.	MFFR	50,000	Bid Process
Frederick	Brunswick Boat Ramp	Pave roadway to boat ramp, including parking area, create handicapped accessible parking spaces, and paint/upgrade boater bathroom facilities.	LG	92,396	Construction
Garrett	Dry Run Boat Ramp	Construct boat ramp and parking area to access Savage River Reservoir.	LG	99,000	Planning
Garrett	Friendsville Community Park and Kendall Trail	Refurbish existing comfort station utilities. Also upgrade vending stations, parking, and design/develop new pavilions.	LG	50,000	Planning
Harford	Tydings Island DMP Renovation Harford County Rec. and Parks	Renovate existing dredge material placement (DMP) site at Tydings Island in Havre de Grace.	DG	700,000	Engineering/Design
Harford	Swan Creek Channel Dredging	Dredge Swan Creek navigation channel in Havre de Grace.	DG	65,000	Planning
Harford	City Yacht Basin Launching Ramp Improvement Project Havre de Grace	Replace floating piers and resurface ramp. Improvements will make facility Americans with Disabilities Act (ADA) compliant.	LG	99,000	Planning
Harford	Concord Point Lighthouse Pier Havre de Grace	Replace existing damaged transient boating pier.	LG	99,000	Construction
Harford	Havre de Grace City Yacht Basin	Re-grade and improve existing parking area for existing public boating facility.	LG	99,000	Planning
Harford	Swan Harbor Farm Pier Security Lighting	Provide security lighting and safe access for the general boating public at existing public boating access pier.	LG	90,000	Construction
Harford	Swan Harbor Farm Stone Sill and Marsh Planting	Complete shoreline erosion control project at Swan Harbor located adjacent to public boating pier.	LG	40,000	Planning
Harford	Foster Branch Dredging	Maintenance dredge existing navigation channel.	MFDG	187,500	Planning
Kent	Wilmer Park	Replace existing deteriorated bulkhead for the boating public.	LG	50,000	Completed Awaiting Reimbursement
Kent	Bayside Landing Park	Modify pier and wing wall at boat ramp to improve boating access.	LG	50,000	Completed
Kent	Bayside Landing Park	Pave existing parking area at marina area at existing public landing.	LG	99,000	Planning
Kent	Cliff City	Replace wingwall at existing boat ramp to improve boating access.	LG	50,000	Completed Awaiting Reimbursement

K00A0505 – Department of Natural Resources – PAYGO

<u>County</u>	<u>Location</u>	<u>Description</u>	<u>Grant Type</u>	<u>Funding Amount</u>	<u>Status</u>
Kent	Shipyards Public Landing	Pave parking/ramp area of shipyard public landing.	LG	99,000	Completed
Kent	Turners Creek	Replace existing bulkhead at existing boat ramp.	LG	95,000	Planning
Kent	Allen's Lane Ramp	Stabilize shoreline at boat ramp.	LG	50,000	Engineering/Design
Kent	Long Cove Pier	Replace decking on all piers at public boating facility.	LG	99,000	Bid Process
Montgomery	Black Hill and Rock Creek Regional Parks Lake Needwood and Little Seneca Lake	Repair storm damage to dock at Lake Needwood, improve existing docks for ADA access, and install floating dock for patrol boat.	LG	75,000	Planning
Montgomery	Pennyfield Lock Boat Maryland National Capital Parks and Planning Commission	Reconstruct existing boat ramp to provide access to Muddy Branch off Potomac River.	LG	99,000	Planning
Prince George's	Prince George's County Water Safety/Rescue Enhancements	Acquire equipment for water rescue on the Potomac River in the vicinity of Fort Washington Marina and the National Harbor Project.	MFFR	20,000	Planning
Prince George's	Fort Washington Marina Docks D & E Replacement	Engineer/replace dock(s) and complete other misc. improvements at marina.	SP	1,700,000	Bid Process (Engineering)
Queen Anne's	Corsica River Dredge Material Placement	Reclaim existing dredge material placement site used for containing dredged material from local dredging projects.	DG	175,000	Engineering/Design
Queen Anne's	Kent Narrows Ramp Replacement	Replace existing ramp at steeper grade to accommodate larger boats using ramp.	LG	99,000	Engineering/Design
Queen Anne's	Kent Narrows Channel	Maintenance dredge existing navigation channel for the benefit of the general boating public.	DG	600,000	Completed
Queen Anne's	Centreville Wharf Expansion Project	Provide shoreline stabilization, construct boardwalk, acquire floating pier with transient slips, and provide marine sewage pump-out station.	LG	99,000	Engineering/Design
Queen Anne's	Shipping Creek Bulkhead and Ramp Reconstruction	Replace deteriorated timber bulkhead and reconstruct/expand existing ramp with a boarding pier.	MF	225,000	Engineering/Design
Queen Anne's	Kent Island Vol. Fire Department	Purchase new fire/rescue boat.	MFFR	50,000	Completed

K00A0505 – Department of Natural Resources – PAYGO

<u>County</u>	<u>Location</u>	<u>Description</u>	<u>Grant Type</u>	<u>Funding Amount</u>	<u>Status</u>
Somerset	Webster's Cove Jetty/Shoreline Protection	Provide shoreline protection at Webster's Cove Harbor.	DG	200,000	Engineering/Design
Somerset	Tylerton Bulkheading	Construct bulkhead at Tylerton Marina.	LG	99,000	Engineering/Design
Somerset	Wenona Harbor Boat Ramp	Replace deteriorated boat ramp.	LG	99,000	Planning
Somerset	Wenona Harbor Bulkhead and Slips Construction	Replace deteriorated bulkhead and construct additional boat slips.	LG	99,000	Planning
Somerset	Jenkins Creek	Replace deteriorating public dock on Jenkins Creek. Dock is vital to local waterman.	LG	99,000	Planning
Somerset	Rumbley Harbor	Replace deteriorated bulkhead that serves the boating public.	LG	99,000	Engineering/Design
Somerset	Mount Vernon Volunteer Fire Co.	Procure equipment for an existing fire/rescue boat.	MFFR	11,500	Bid Process
Somerset	Little Deal Island WMA Shore Erosion Control	Stabilize portion of eroding shoreline that is impacting adjacent federal channel at Wenona Harbor.	SP	350,000	Construction
Somerset	Somers Cove Marina	Re-deck/repair existing marina piers.	SP	65,000	Planning
Southern Maryland	Southern Maryland Boat Facilities Regional State Boating Facilities	General maintenance/repairs to boat ramps, public landings, and dock systems at various State Parks in Southern Maryland.	SP	100,000	Engineering/Construction
St. Mary's	St. Mary's County Countywide Maintenance Grant	Provide repairs to various locally owned public boat ramps and landings as needed.	LG	99,000	Planning
St. Mary's	St. Inigoes Landing	Resurface existing parking area and roadway.	LG	99,000	Completed/Awaiting Reimbursement
St. Mary's	Piney Point Landing	Replace existing wooden bulkhead with a stone revetment.	LG	99,000	Planning
St. Mary's	Piney Point Landing	Pave existing parking area located on the river side of the landing.	LG	99,000	Engineering/Design
St. Mary's	Bushwood Wharf Landing	Pave existing parking area and roadway and construct an overflow parking area.	LG	99,000	Engineering/Design
St. Mary's	Leonardtwn Wharf Project	Replace deteriorated bulkhead and construction piers and docking facilities for the boating public.	MF	300,000	Phase I (Completed)/Phase II (Planning)

K00A0505 – Department of Natural Resources – PAYGO

<u>County</u>	<u>Location</u>	<u>Description</u>	<u>Grant Type</u>	<u>Funding Amount</u>	<u>Status</u>
St. Mary's	Greenwell State Park	Construct T-section at end of existing transient boating pier and install mooring buoys in Quarter Creek for the boating public.	SP	80,000	Planning
St. Mary's	Point Lookout State Park Boating Facility	Construct new floating dock for transient boaters, construct covered slip for Park vessel, and install electric/lighting at Hoffman's Boat Pier.	SP	125,000	Bid Process
St. Mary's	Colton Point Pier	Re-deck existing public boating pier.	SP	50,000	Planning
St. Mary's	St. Mary's River State Park Boating Facility	Pave existing parking lot at boat ramp facility and construct storage shed for the Park Service vessel.	SP	200,000	Engineering/Design
Statewide	Maintenance Fund	Complete dredging/navigation/storm damage projects in designated public navigation channels or publicly owned boating facilities that occur outside the budget cycle or exceed appropriated funding amount statewide.	ST	288,978	Planning
Statewide	Shore Erosion Control Projects – Statewide	Design and construct boating-related shore erosion control projects statewide.	ST	750,000	Planning
Statewide	Marine Sewage Pump-out Program	Utilize federal Clean Vessel Act (75%) and State Waterway Improvement Fund (25%) funds (awarded annually), Department of Natural Resources is administering a grant program that provides reimbursements to marinas for the purchase and installation of marine sewage pump-out facility	ST	100,000	Planning
Statewide	Natural Resources Police – Replace Buoy Tender/ Ice-Breaker and Acquire Scow/Patrol Boats	Design and provide 1st installment to replace existing steel buoy tender/ ice-breaker Motor Vessel J. M. Tawes, acquire scow for servicing fixed aids to navigation in Chesapeake Bay, and provide funds to cover State cost share to acquire patrol boats for NRP in conjunction with a federal grant.	ST	1,311,968	Planning
Statewide	Federal Sportfish Restoration and Boating Infrastructure Grant boating projects	Funding to be used to cover the local cost share for federally funded public boating access projects. Proposed project located in Baltimore County for a fueling station at Bills Boats near Hart Miller Island.	ST	100,000	Planning
Talbot	Talbot Countywide Bulkhead Repair Program	Maintenance and repairs to existing publicly owned boating access facilities throughout county.	LG	99,000	Construction

K00A0505 – Department of Natural Resources – PAYGO

<u>County</u>	<u>Location</u>	<u>Description</u>	<u>Grant Type</u>	<u>Funding Amount</u>	<u>Status</u>
Talbot	Windy Hill Landing Boat Ramp	Replace boat ramp and complete shoreline/pier improvements.	LG	75,000	Engineering/Design
Talbot	Dogwood Harbor Waterman's Observation Wharf	Construct public landing for unloading daily catches and docking vessels.	LG	50,000	Engineering/Design
Talbot	Mill Street	Replace deteriorated bulkhead at Hollis Park in St. Michaels.	LG	20,000	Construction
Talbot	Cherry Street and Honeymoon Bridge	Replacement bulkhead at the foot of Cherry Street, replace finger piers and deteriorated pilings along Honeymoon Bridge, and complete a structural engineering analysis of Honeymoon Bridge at St. Michaels.	LG	85,000	Engineering/Design
Talbot	Mill Street Harbor Dingy Dock Replacement	Replace dingy docks in St. Michaels Harbor at Mill Street.	LG	67,000	Planning
Talbot	Chesapeake Bay Maritime Museum	Replace deteriorated bulkhead along south transient boat dockage area and upgrade electrical service along bulkhead.	MF	99,000	Planning
Talbot	Chesapeake Bay Maritime Museum	Replace deteriorated bulkhead along east transient boater dockage area and upgrade electrical service along bulkhead.	MF	99,000	Planning
Wicomico	Wicomico County	Maintain/repair publicly owned boating access facilities throughout county.	LG	99,000	Engineering/Design
Wicomico	Cherry Beach Sharptown	Expand/rehabilitate parking lot serving public boat ramp in Sharptown.	LG	99,000	Engineering/Design
Wicomico	Nanticoke Harbor	Pave boat slip parking area and the auxiliary parking lot and one of the boat ramp approaches.	LG	45,000	Engineering/Design
Worcester	George Island	Reconstruct and surface existing parking facility at boat ramp to meet ADA requirements.	LG	50,000	Completed
Worcester	Snow Hill Byrd Park and Gateway Park	Purchase and install water and electric service (marine power pedestals) to accommodate additional boats. Purchase and installation overhead street lamps, trash receptacles, gunwale guards, and metal cleats.	LG	99,000	Construction
Worcester	Public Landing Pavilion	Complete shoreline stabilization project at Public Landing.	LG	99,000	Construction
Worcester	Taylor Landing	Complete shoreline stabilization project at Taylor Landing.	LG	99,000	Engineering/Design

K00A0505 – Department of Natural Resources – PAYGO

<u>County</u>	<u>Location</u>	<u>Description</u>	<u>Grant Type</u>	<u>Funding Amount</u>	<u>Status</u>
Worcester	Milburn Landing Pocomoke River State Park	Pave parking lot and the access road to the Milburn Landing boat ramp.	SP	100,000	Planning
Worcester	Shad Landing Marina Pocomoke River State Park	Complete engineering phase to reconstruct the existing concession building at Shad Landing Marina.	SP	200,000	Planning
Subtotal				\$26,700,000	
Federally Funded Waterway Improvement Project					
Statewide	Elk River Park	Federal cost share for proposed U.S. Fish and Wildlife approved projects. Project includes funding new public boat ramp facility at Elk River Park in Cecil County.	SP	\$1,000,000	Engineering/Design
Grand Total				\$27,700,000	

Key

- DG: 100% dredging/navigation
- LG: 100% local grant
- MF: matching funds local governments
- MFFR: matching funds fire/rescue
- MFDG: matching funds dredging grants
- SP: 100% State project
- ST: statewide project

Shore Erosion Control Loan Program (Statewide)

PAYGO SF **\$500,000** **Recommendation: Approve**

Program Description: The Shore Erosion Control Loan Program provides loans and grants to groups of property owners, municipalities, and counties to complete shore erosion control projects pursuant to the Natural Resources Article, Section 8-1001 through Section 8-1007. The loans made under the Department of Natural Resources' (DNR) capital program are interest free and for the purpose of providing design and construction of structural shore erosion control projects. The grants made under DNR's operating program require a 50% match and are for the purpose of providing design and construction of non-structural shore erosion control projects. The program's special funds are derived from loan repayments, administrative charges, and the Waterway Improvement Fund.

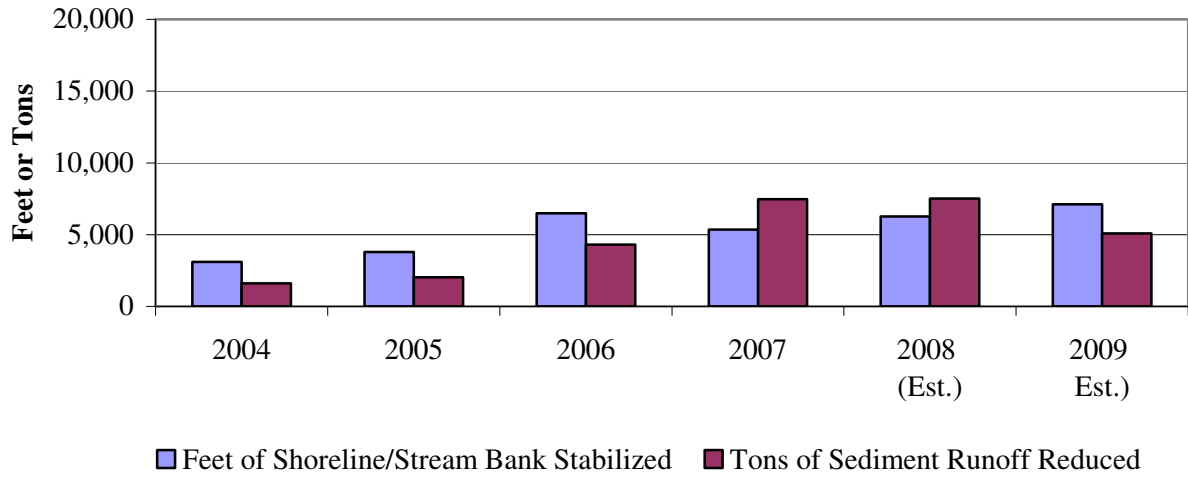
The Shore Erosion Control Loan Program has been in existence for 40 years; however, it has been located within several different programs in DNR's operating and capital budgets. Prior to fiscal 2004, it was an operating budget project within the Capital Grants and Loans Administration, and prior to that, it was a project within the forestry program.

Program Performance Analysis: Since 1968, this program has assisted numerous property owners and has stabilized approximately 80 miles, or 2.7%, of the 3,008 miles of eroding shoreline in the State. **Exhibit 10** shows that the program was able to stabilize more shoreline and further reduce sediment runoff in fiscal 2007 than what was achieved in fiscal 2004 and 2005. However, DNR estimates that the programs sediment reduction efforts will be less effective in fiscal 2009. **DNR should be prepared to discuss this estimated fiscal 2009 trend.**

Comments: The fiscal 2009 pay-as-you-go allowance provides \$500,000 in special funds for loans to complete three projects that will stabilize 867 linear feet of eroding shoreline, retain 480 tons of sediment, and prevent 358 pounds of nitrogen and 231 pounds of phosphorous from entering Maryland waterways annually.

While the 2007 *Capital Improvement Program (CIP)* indicated that this program would be funded at higher levels in the future, the 2008 CIP indicates that the program's budget will remain level at \$500,000 in fiscal 2010 through 2013. **DNR should be prepared to discuss this adjustment to the program's spending plan.**

Exhibit 10
Shore Erosion Control Projects
Fiscal 2005-2009



Sources: Governor's Budget Books, Fiscal 2006-2009

Shore Erosion Control Loan Fund Data

Fund History

	<i>FY 2007 Actual</i>	<i>FY 2008 Estimated</i>	<i>FY 2009 Estimated</i>
Beginning Balance	\$83,384	\$93,017	\$8,017
Revenue			
Special Funds – Loan Repayments	\$892,610	\$915,000	\$912,590
Total Revenue	\$892,610	\$915,000	\$912,590
Total Available	\$975,994	\$1,008,017	\$920,607
Encumbrances			
Loans	\$725,000	\$750,000	\$700,000
Operating Expenses	157,977	250,000	215,607
Total Encumbrances	\$882,977	\$1,000,000	\$915,607
Ending Balance	\$93,017	\$8,017	\$5,000

Note: This table reflects operating expenditures, operating funds for nonstructural shore erosion loans, and pay-as-you-go capital funds for structural shore erosion loans.

Authorization Request (\$ in Millions)

<i>Description</i>	<i>2007 Approp.</i>	<i>2008 Approp.</i>	<i>2009 Request</i>	<i>2010 Estimate</i>	<i>2011 Estimate</i>	<i>2012 Estimate</i>	<i>2013 Estimate</i>
PAYGO SF	\$0.800	\$0.500	\$0.500	\$0.500	\$0.500	\$0.500	\$0.500

Recommended Actions

1. Concur with Governor's allowance.

Fiscal 2009 Proposed Shore Erosion Projects

<u>Project</u>	<u>Location</u>	<u>Amount (\$)</u>	<u>Purpose</u>
Franklin Manor Shore	Anne Arundel County	\$200,000	Stone breakwaters
Hillsmere Shores	Anne Arundel County	255,000	Stone breakwaters/containment groins
St. George Island	St. Mary’s County	45,000	Stone edging, sill and reinforcement
Total		\$500,000	

Fiscal 2008 Shore Erosion Project Status

<u>Project</u>	<u>Location</u>	<u>Amount (\$)</u>	<u>Purpose</u>
Hillsmere Shores	Anne Arundel County	\$100,000	Stone breakwaters/containment groins
Havre de Grace	Harford County	150,000	Stone revetment
Florida, Maine, and Alabama Avenue	Kent County	70,000	Stone revetment
The Villas on the Water’s Edge	St. Mary’s County	100,000	Stone revetment
South Ocean Drive	Worcester County	80,000	Stone revetment
Total		\$500,000	

Fiscal Summary
Department of Natural Resources – PAYGO

<u>Program/Unit</u>	<u>FY07 Actual</u>	<u>FY08 Wrk Approp</u>	<u>FY09 Allowance</u>	<u>Change</u>	<u>FY08-FY09 % Change</u>
10 Outdoor Recreation Land Loan	\$ 297,522,315	\$ 214,165,277	\$ 70,507,914	-\$ 143,657,363	-67.1%
11 Waterway Service Projects	26,180,577	27,700,000	21,300,000	-6,400,000	-23.1%
14 Sec. Capital Projects	500,000	500,000	500,000	0	0%
06 Ocean City Maintenance	353,750	1,000,000	1,000,000	0	0%
Total Expenditures	\$ 324,556,642	\$ 243,365,277	\$ 93,307,914	-\$ 150,057,363	-61.7%
Special Fund	\$ 321,111,065	\$ 238,365,277	\$ 87,007,914	-\$ 151,357,363	-63.5%
Federal Fund	3,445,577	5,000,000	4,300,000	-700,000	-14.0%
Total Appropriations	\$ 324,556,642	\$ 243,365,277	\$ 91,307,914	-\$ 152,057,363	-62.5%
Reimbursable Fund	\$ 0	\$ 0	\$ 2,000,000	\$ 2,000,000	N/A
Total Funds	\$ 324,556,642	\$ 243,365,277	\$ 93,307,914	-\$ 150,057,363	-61.7%

Note: The fiscal 2008 appropriation does not include deficiencies.