



# United States Department of the Interior

NATIONAL PARK SERVICE

Interior Regions 3, 4, 5  
601 Riverfront Drive  
Omaha, NE 68102

August 29, 2023

Ms. Audrey Mularie  
Park Grant Coordinator  
Division of Parks and Recreation  
Department of Natural Resources  
500 Lafayette Road, Box 10  
St. Paul, MN 55155-4010

Dear Ms. Mularie,

The National Park Service (NPS) has reviewed the Minnesota Department of Natural Resources (MNDNR) Division of Parks and Recreation's July 20, 2023, letter requesting that the NPS acknowledge its intent to acquire Kelley Farms in Washington County as potential replacement property to address the possible conversion of Upper Sioux Agency State Park (USASP). USASP is encumbered by the Land and Water Conservation Fund (LWCF) Act due to it receiving both acquisition and development assistance through the following grants: 27-00320, 27-00330, 27-00502, 27-00518, 27-00749, 27-00768, and 27-00788.

As you know, this request involves the provisions of the LWCF Act of 1965 that are intended to ensure that the net effect of a conversion of LWCF-assisted property does not diminish the overall recreation estate (54 U.S.C. §200305(f)(3)). MNDNR would be acquiring Kelley Farms in advance of a conversion request; land already in public ownership is ineligible to be used for replacement when LWCF assistance was used to help acquire the original property. Further, the LWCF Program Post Completion Compliance Regulations (36 CFR Part 59) provide authority and prerequisites that must be adhered to for the NPS to approve a conversion.

We are encouraged to see MNDNR's acknowledgement of the significant public interest surrounding Minnesota's commitment to transfer the USASP to the Upper Sioux Community and the conversion that would likely result and hope that the agency will follow through with its plans for public involvement as stated in the letter. We recommend a significant public engagement process that provides ample opportunity for public input and matches the significant community interest.

Insofar as NPS has been made aware of the potential conversion and the State's intentions through your July 20, 2023 letter, the NPS is prepared to acknowledge the MNDNR's early acquisition of Kelley Farms in anticipation of a formal conversion request for USASP. This acknowledgment is contingent on several conditions:

1. The purchase of Kelley Farms, which is currently in private ownership as of the date of this letter, is at the State's risk.
2. If the State ultimately decides to convert USASP, Kelley Farms will be eligible for consideration as replacement property only for a conversion of USASP, for a period of one year as of the date of this letter. The NPS would consider a request to extend the period for one additional year if by the end of the first year the State has submitted the conversion request package to the NPS, even if it is not yet approved.
3. The State's acknowledgement that the NPS has no obligation to accept this property as replacement if it is not found to satisfy the LWCF Act or the Compliance regulations, nor does the acknowledgment of the acquisition imply NPS concurrence or approval of a conversion request.

If a conversion arises and a formal conversion application is submitted to the NPS, the NPS will evaluate the request in full at that time. Additionally, I want to reiterate as I did in my March 7, 2023 letter, that the NPS is willing to assist MNDNR on this request to ensure proper completion of the requirements.

If you have any questions or concerns, please contact Neal Bedlan at (402) 661-1588 or [neal\\_bedlan@nps.gov](mailto:neal_bedlan@nps.gov).

Sincerely,



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Herbert C. Frost  
Regional Director