

Iron Range Resources and Rehabilitation

Projects Summary

(\$ in thousands)

Project Title	Rank	Fund	Project Requests for State Funds			Gov's Rec	Gov's Planning Estimates	
			2024	2026	2028	2024	2026	2028
Irrigation Infrastructure Replacement and Design	1	GO	12,000	0	0	0	0	0
New Facility for Cross Country Skiing and Golf	2	GO	13,700	0	0	0	0	0
New Aerial Chair Lift - Calgary	3	GO	3,500	0	0	0	0	0
Minnesota Discovery Center	4	GO	10,155	0	0	0	0	0
Total Project Requests			39,355	0	0	0	0	0
General Obligation Bonds (GO) Total			39,355	0	0	0	0	0

<https://www.mn.gov/irrrb>

AT A GLANCE

- Established in 1941, the Department of Iron Range Resources & Rehabilitation was created to diversify the economy within a region largely dependent on the removal of minerals (iron ore and taconite) and other natural resources.
- The agency’s service area is defined by Minnesota Statute 273.1341 and encompasses 13,000 square miles in northeastern Minnesota: 53 cities, 134 townships, portions of four tribal nations and 14 school districts. The service area population is 155,081.
- The agency is primarily funded by a portion of local taconite production tax paid by mining companies on each ton of iron ore pellets or concentrates produced. The tax is paid in lieu of property taxes by mining companies located within the agency’s service area.
- The Department of Iron Range Resources & Rehabilitation operates on an annual budget established by the commissioner and approved by an eight-member board and the Governor.

PURPOSE

The Department of Iron Range Resources & Rehabilitation is an economic development agency that reinvests local taconite production taxes back into northeastern Minnesota businesses and communities in order to strengthen and diversify the economy. Loans are provided to businesses relocating or expanding in the region. Grants are available to local and tribal units of government, educational institutions and nonprofits. Grants support projects related to business development, infrastructure and broadband, downtown revitalization, worker training and certification, and tourism and recreation.

AGENCY GOALS AND STRATEGIES

The agency’s strategic plan aligns its collaborative efforts around long-term economic growth that increases the well-being of all people in northeastern Minnesota. The agency’s mission aligns funding priorities with capital investment, improving quality of life and retaining and creating good paying jobs. We advance our strategies with four long-term goals related to community development, asset reinvestment, business development and workforce development.

Communities invest in their foundational, business and social assets to ensure quality of life for all residents.

- Infrastructure funds are directed to improve, replace and modernize high priority community foundational assets such as sewer, water, electric, transportation, broadband and communication.
- Redevelopment programs encourage sustainable planning and development, reinvestment, and adaptive reuse by funding modernization, efficiency improvements, code compliance and building energy retrofits.
- Community development grants fund the construction, maintenance and improvement of community social assets such as downtowns, parks, recreation, trails, culture, tourism and the arts.

Agency investments in Giants Ridge increase its economic impact and contribute to the quality of life in the region.

- Increase recreation opportunities that attract visitors and private sector development.
- Grow the Giants Ridge capital account to provide future stability and self-sufficiency.

Respond to business needs with creative and flexible financial solutions.

- Retain and expand the number of businesses in our service area.
- Businesses invest and expand in northeastern Minnesota.

Workers have the education and training to meet business needs.

- Workforce and business needs are met through custom education and training.
- Invest in Higher Education programs made through the Iron Range Higher Education Account (M.S. §298.28, subd. 9d.)
- Monitor long-term education investments made through the Iron Range School Consolidation & Cooperatively Operated School Account (M.S. §298.28, subd. 7a.)

M.S. 298.22 provides the legal authority for the Department of Iron Range Resources & Rehabilitation.

AT A GLANCE

The Department of Iron Range Resources & Rehabilitation is an economic development agency that invests resources to foster growth and economic prosperity in northeastern Minnesota by enhancing livable communities, maximizing collaborations and partnerships and strengthening businesses and worker education. Agency strategic priorities include:

- Providing grants to local units of government and nonprofits that contribute to stable, livable and healthy communities and funding foundational assets and community infrastructure that improve, replace and modernize for future growth.
- Recruiting targeted industries to the region to increase economic growth and tailoring financing solutions with partners that meet individual business retention and expansion needs.
- Supporting innovative education and workforce development initiatives that address regional business and industry workforce needs.
- Investing in development and infrastructure at Giants Ridge and Minnesota Discovery Center to increase the economic impact of the facilities and enhance the quality of life for visitors and area residents.

Fostering economic development and promoting tourism are statutory authorities for the agency. Foundational asset investments made at Giants Ridge have strengthened the region's tourism economy, generating \$55 million in economic impact in 2019.

Factors Impacting Facilities or Capital Programs

The agency owns 79 structures in three locations on the Iron Range, Eveleth (headquarters), Biwabik (Giants Ridge) and Chisholm (Minnesota Discovery Center or MDC). Most of the buildings and infrastructure are at Giants Ridge and MDC campuses built in the 1970s and 1980s. The agency has made significant capital reinvestments over the years but capital needs are now at levels that cannot be supported by the agency's annual operating budgets.

Giants Ridge and MDC serve local residents and visitors from across the nation. The current increasing demand for outdoor experiences, recreation and cultural resources is driving the need for changes and improvements at both locations.

Giants Ridge is the agency's recreational asset that helps to diversify the economy on the Iron Range. The facility provides a variety of outdoor recreational offerings including golf and skiing. In order to maintain the state's asset, the agency has identified strategic investments for Giants Ridge that sustain the existing golf and ski operations.

Irrigation infrastructure replacement and design: Replace failing underground water line infrastructure system for the golf course irrigation. The current piping at Giants Ridge is 30 years old and beyond its expected useful life. Components of the original system are difficult to find and often nonexistent. Failure of the lines due to the system's age would have a negative impact on Giants Ridge and the Iron Range communities that depend on the tourism economy from golf visitors. The irrigation infrastructure replacement will sustain the facility's recreational operations and lower the facility's water usage during the summer. The system will also include automation and energy efficiencies.

Maintenance Replacement and Nordic Golf facility: Built in 1984 the current Legend Maintenance Building is approaching 40 years of service. This project would replace an aging asset and relocate the current maintenance building outside of the base area allowing for a smoother and safer flow of traffic. In the footprint of the old maintenance building, the Nordic Golf Center will anchor the Giants Ridge base area and expand indoor and outdoor recreational facilities for skiers and golfers. It will add to the overall functionality of the base area and create a cohesive interface between the Nordic ski trails and the golf course. Currently the golf shop is in an old maintenance building and there is no dedicated indoor Nordic space for skiers and ski teams to base from at Giants Ridge. The need for such a facility is vital to the operations. Improvements will include energy efficiencies, safe working conditions, improved traffic and customer flow and create a better arrival area for guests.

Aerial chairlift infrastructure replacement: The new aerial chairlift will replace an aging chairlift infrastructure that provides transport to the top of the ski, bike and hiking areas. The current chairlift is 39 years old and no longer supported by the manufacturer. Replacement parts and technical support are difficult to find. The new infrastructure will provide reliable and energy efficient aerial transportation.

Minnesota Discovery Center is comprised of a museum, research center, and park encompassing 660 acres, that tells the story of the Iron Range - "The Land, The Mines, The People, and The Work" - through exhibits, interpretation, programming, and research materials. MDC is a 501c(3) nonprofit in charge of operating and maintaining the state-owned capital assets originally constructed in the 1970's and 1980's. Currently, historical collections are at high risk due to inadequate, outdated, and failing archival infrastructure. The state-owned facilities and historical archives need to be protected. MDC is the largest state-owned records repository outside of St. Paul and one of the largest museum and cultural complexes in northern Minnesota.

The project will provide compliant, adequate, efficient, and inclusive public facilities that protect, preserve, and grow one of the largest historical artifact and archival collections available in Minnesota. The project addresses high risk infrastructure issues that threaten historical artifacts and archival collections:

- **Upgrade wet suppression fire systems** to dry suppression systems in all archival spaces to be compliant with museum standards and current building codes.
- **Install climate control systems** in existing archives and facilities to make more efficient systems.
- **Enhance existing archival spaces** and staff spaces to compliant standards.
- **Increase archival capacity** and improve access to collections for scholarly, educational, and research purposes.
- **Construct 12,000 sq. ft.** of new multi-use event/educational space to increase public accessibility and programming.

These improvements allow MDC to preserve more of Minnesota's unique history, culture, and heritage and makes it accessible to future generations for decades to come.

Outdoor recreation and cultural opportunities support northeastern Minnesota's tourism economy, contribute to Minnesotans' health and quality of life and support business attraction and retention. In 2019, Giants Ridge had a \$55.4 million economic impact on local communities, up \$12 million from a 2016 analysis. Economic growth is a result of capital investment and the results align with the agency's mission to diversify IRRR's service area.

Self-Assessment of Agency Facilities and Assets

Recent capital investments have focused on replacing failing infrastructure, facilities and equipment. For each location, master plans, facility assessments, studies and reports are evaluated when determining capital projects and levels of investment. Priority projects must meet objectives in the areas of safety, asset preservation, efficiency or operational performance.

Agency Process for Determining Capital Requests

The agency implements capital improvement strategies that advance the missions of Giants Ridge and Minnesota Discovery Center to keep them competitive while improving revenues and managing expenses. Facility managers develop capital requests using studies, master plans, stakeholder input and facility conditions. Requests address aging infrastructure, deferred maintenance, building and system life cycles, access, safety and efficiency. They are reviewed by senior leaders and the Commissioner approves final projects and reviews them with the Iron Range Resources and Rehabilitation advisory board.

Major Capital Projects Authorized in 2022 and 2023

The agency received \$12,229,000 for the Giants Ridge's snowmaking infrastructure system during the 2023 legislative session.

Irrigation Infrastructure Replacement and Design

AT A GLANCE

2024 Request Amount: \$12,000

Priority Ranking: 1

Project Summary: The irrigation system for the Legend Golf Course is at the end of its useful life. Prolonging its operation has become cumbersome and costly, with reliability issues becoming increasingly frequent. Replacement parts are difficult to obtain and some crucial upgrade components are unavailable. Replacing the irrigation system will improve the quality of the Legend course turf and reduce the operational difficulties associated with maintaining the current system.

Project Description

The proposed golf course irrigation system will provide upgraded infrastructure for the golf course to preserve and protect the asset. The current system is over 30 years old and is at the end of its useful life. The new system would provide water efficiency with advanced water management features that optimize irrigation schedules based on weather data, soil moisture levels, and plant requirements. The system includes scheduling and remote-control capabilities, allowing the system to run irrigation during off-peak hours when electricity costs are lower, this provides for energy savings. Weather integration software allows real-time weather data to adjust irrigation schedules automatically aligning irrigation with the actual weather conditions avoiding unnecessary watering during rainy periods. Remote monitoring will allow for an interface which enables quick adjustments and troubleshooting, minimizing water and energy waste due to system malfunctions. Improved automation technology for operations, efficiency and energy improvements, water usage savings and pump house integration are all key to a new system. This all contributes to a commitment to sustainability.

Project Rationale

Replacing failing underground water line infrastructure system for the golf course irrigation at the state-owned facility. The current piping at Giants Ridge is 30 years old and beyond its expected useful life. Components of the original system are difficult to find and often nonexistent. Failure of the lines due to the system's age would have a negative impact on Giants Ridge and the Iron Range communities that depend on the tourism economy from golf visitors. The irrigation infrastructure replacement will sustain the facility's recreational operations, lower the facility's water usage and provide automation and energy efficiencies. The project will provide adequate stability and improvements for the irrigation system for the next 25 years. Asset preservation to replace and enhance the system will provide energy and staff savings. Ability to minimize downtime of the golf course utilization due to repair. Giants Ridge is a major economic driver in the agency's service area.

Project Timeline

Award spring of 2024

Design: 7/2025

Bid: 11/2025

Build: 2026

Completion: 06/2027

Other Considerations

Giants Ridge is located in northeastern Minnesota in Biwabik. It is situated between the communities of Aurora, Hoyt Lakes, Town of White and Gilbert. It is located in a depressed region of the state and is economically disadvantaged due to the downturn in mining since the 1980's. Giants Ridge provides diversification of jobs and tourism in the region and is a key economic driver to the region. The needed investments are vital for the future survival of this region and the quality of life it provides for the local residents and visitors from across Minnesota and the US.

Impact on Agency Operating Budgets

Reduced labor, water, and fertilizers to maintain and operate the golf course.

Initial Investment in upgrading the system, the long-term savings in water and energy costs, as well as potential landscape preservation, can offer return on investment.

By reducing water consumption and energy usage the system will contribute to environmental stewardship and demonstrate a commitment to sustainability.

Reduces downtime of the golf course and labor savings on repairs and equipment.

Description of Previous Appropriations

Project Contact Person

Linda Johnson

Property Development

218-969-9022

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Governor's Recommendation

The Governor does not recommend capital funding for this request.

Iron Range Resources and Rehabilitation

Project Detail

(\$ in thousands)

Irrigation Infrastructure Replacement and Design

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2024	FY 2026	FY 2028
State Funds Appropriated and Requested				
General Obligation Bonds	\$ 0	\$ 12,000	\$ 0	\$ 0
State Funds Pending				
Non-State Funds Already Committed				
Non-State Funds Pending				
TOTAL	\$ 0	\$ 12,000	\$ 0	\$ 0

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2024	FY 2026	FY 2028
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 500	\$ 0	\$ 0
Project Management	\$ 0	\$ 100	\$ 0	\$ 0
Construction	\$ 0	\$ 9,805	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 1,595	\$ 0	\$ 0
TOTAL	\$ 0	\$ 12,000	\$ 0	\$ 0

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2024	FY 2026	FY 2028
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 12,000	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6)?	N/A
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	Yes
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	Yes
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2028?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

New Facility for Cross Country Skiing and Golf

AT A GLANCE

2024 Request Amount: \$13,700

Priority Ranking: 2

Project Summary: The Nordic Golf Center will anchor the Giants Ridge base area, expand indoor and outdoor recreational facilities for skier and golfers. It will add to the overall vibrancy of the base area and create a smoother interface between the nordic ski trails and the golf course. Currently the golf shop is in an old maintenance building and there is not dedicated indoor nordic space for skiers and ski teams to base from at Giants Ridge. The need for such a facility is vital to the operations.

Project Description

The proposed Nordic Golf Center will coexist of two major endeavors: relocate the existing golf course maintenance building that now detracts from the golf and nordic operations, construct a new Nordic/Golf center and outdoor plaza are which will anchor the north edge of the site and create a village experience for customers. The project will continue to enhance the destination appeal and provide the added needed space for events. The facility will have dedicated spaces for nordic and golf locker rooms, function space, storage space and counter/retails space, outdoor gathering spaces, new arrival area. The Nordic/Golf Center will anchor the base, expand indoor and outdoor space for gathering and special events. It will create a smoother interface between the existing operations and the parking lot.

Nordic skiing and golf are integral to the Giants Ridge experience. Despite having high-quality nordic trails, Giants Ridge has not been able to leverage additional nordic visitation. Improving the Nordic facility by providing designated guest services space in the Nordic Center that is separate from the alpine facility will make the Giants Ridge winter experience more attractive and saleable.

Project Rationale

Project will provide adequate and safe spaces for Nordic skiers and golfers, bikers, as well as employees. It will provide for a much better overall experience and creates the potential to grow additional events within the recreation area and surrounding communities.

- Separates the customers from the current maintenance facility which is over 30 years old
- Provides a safer environment for the Nordic skiers who participate in events currently utilizing the maintenance facility and provides additional space
- Locates the Nordic skiers closer to the trails

- Maintenance facility is within the Nordic and golf campus and is a safety risk with heavy equipment and deliveries arriving at the same location
- Creates a better arrival into the property for guests
- Provides for an updated maintenance facility that will be energy efficient and secure

Project Timeline

Funding: 2024

Pre-Design - Design: 2024

Bid and Construction: 2025

Completion: Spring 2026

Other Considerations

The economic impact to the region currently generates \$55 million annually into the local economy. The facility is located in an economically distressed region of the state. The project attracts tourism dollars into the local economy and diversifies employment opportunities for the regional workforce. It also supports healthy communities within the region and the state.

Impact on Agency Operating Budgets

The construction will provide for energy efficient buildings that will help to reduce the carbon footprints of the buildings. New energy systems enhance efficiencies to the current buildings, which reduce expenses associated with the physical plant operations. It will help to increase the opportunity to advance the region as a quality location for athletic competitions for both Nordic and golf events.

Description of Previous Appropriations

N/A

Project Contact Person

Linda Johnson

Property Development

218-969-9022

linda.l.johnson@state.mn.us

Governor's Recommendation

The Governor does not recommend capital funding for this request.

Iron Range Resources and Rehabilitation

Project Detail

(\$ in thousands)

New Facility for Cross Country Skiing and Golf

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2024	FY 2026	FY 2028
State Funds Appropriated and Requested				
General Obligation Bonds	\$ 0	\$ 13,700	\$ 0	\$ 0
State Funds Pending				
Non-State Funds Already Committed				
Non-State Funds Pending				
TOTAL	\$ 0	\$ 13,700	\$ 0	\$ 0

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2024	FY 2026	FY 2028
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 39	\$ 0	\$ 0
Design Fees	\$ 0	\$ 1,102	\$ 0	\$ 0
Project Management	\$ 0	\$ 702	\$ 0	\$ 0
Construction	\$ 0	\$ 10,120	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 427	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 1,310	\$ 0	\$ 0
TOTAL	\$ 0	\$ 13,700	\$ 0	\$ 0

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2024	FY 2026	FY 2028
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 13,700	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	No
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	No
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	Yes
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	Yes
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6)?	N/A
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	Yes
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	Yes
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2028?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

(\$ in thousands)

New Aerial Chair Lift - Calgary

AT A GLANCE

2024 Request Amount:	\$3,500
Priority Ranking:	3
Project Summary:	\$3.5 million in state funds is requested to construct a new aerial chair lift.

Project Description

The new infrastructure will replace an aging chair lift that provides transport to the top of the ski, bike and hiking areas.

Project Rationale

The project will provide reliable and safe transportation to the top of the ski/hiking/biking area.

- Project will add additional uphill capacity.
- An aerial lift will provide a safe and dependable ride for customers.
- Improved safety monitoring with new technologies
- Safety retention bars will be required.
- Increased operator efficiencies
- Provides greater lift capacity (skier per hour)

Project Timeline

Design & Engineering: September 2024

Construction Bid: January 2025

Final Completion: November 2025

Other Considerations

Economic impacts for Giants Ridge on the local economy are \$55 million. The project is located in an economically distressed area of the East Iron Range. The facility is the host site to 11 Alpine and multiple Nordic events annually serving 4,000 plus participants. Over 50% are alpine related.

Impact on Agency Operating Budgets

There is a potential for reduction in labor and spare parts spent on fixing old infrastructure.

Description of Previous Appropriations

N/A

Project Contact Person

Linda Johnson

Admin Mgmt Director 1

218-969-9022

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Governor's Recommendation

The Governor does not recommend capital funding for this request.

Iron Range Resources and Rehabilitation

Project Detail

(\$ in thousands)

New Aerial Chair Lift - Calgary

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2024	FY 2026	FY 2028
State Funds Appropriated and Requested				
General Obligation Bonds	\$ 0	\$ 3,500	\$ 0	\$ 0
State Funds Pending				
Non-State Funds Already Committed				
Non-State Funds Pending				
TOTAL	\$ 0	\$ 3,500	\$ 0	\$ 0

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2024	FY 2026	FY 2028
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 385	\$ 0	\$ 0
Project Management	\$ 0	\$ 275	\$ 0	\$ 0
Construction	\$ 0	\$ 2,493	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 347	\$ 0	\$ 0
TOTAL	\$ 0	\$ 3,500	\$ 0	\$ 0

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2024	FY 2026	FY 2028
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 3,500	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6)?	N/A
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	Yes
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	Yes
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2028?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

(\$ in thousands)

Minnesota Discovery Center

AT A GLANCE

2024 Request Amount: \$10,155

Priority Ranking: 4

Project Summary: \$10.155 million in state funds is requested to design, construct, expand, reconfigure, and equip 37,900 sq. ft. of new and existing state-owned infrastructure at the Minnesota Discovery Center (MDC). The project provides compliant, adequate, efficient, and inclusive facilities, while addressing critical preservation, capacity, and accessibility infrastructure issues that threaten historical collections housed in MDC’s archival storage facilities, records repository, and research center.

Project Description

- Upgrade 13,900 sq. ft. of existing archival space to current building code standards.
- Convert wet suppression fire systems in existing archives to dry suppression fire systems.
- Install climate control systems in existing archives and facilities to more efficient systems.
- Enhance existing archival spaces and staff spaces to compliant standards.
- Construct 12,000 sq. ft. of new archival space to address overflow and capacity issues.
- Construct 12,000 sq. ft. of multi-use event/educational space that will provide compliant access to new and existing archival facilities, attract more visitors, and create new revenue.

Project Rationale

The project will provide compliant, adequate, efficient, and inclusive public facilities that protect, preserve, and grow one of the largest historical artifact and archival collections available in Minnesota. Most importantly, the project addresses high risk infrastructure issues that currently threaten existing historical artifacts and archival collections. Other impacts of the project include:

- Upgrades failing, inefficient, and incompliant state-owned infrastructure originally constructed in the 1970's and 1980's.
- Upgrades wet suppression fire systems to dry suppression systems in all archival spaces to be compliant with museum standards and current building codes.
- Ability to properly preserve and store thousands of overflow records and historical artifacts in MDC's collections.
- Increases archival capacity and allows MDC to grow historical collections and increase revenue through record requests, exhibition, and visitation.
- Addresses disparities and inequities in the current design of our archival facilities.

- Provides inclusive access to existing and additional historical artifacts and archival collections for scholarly, educational, and research purposes.
- Increases revenue by creating a new multi-use space that can be rented to MDC's growing list of facility rental clients.
- Reduces labor costs, energy costs, and safety risks, allowing MDC to reinvest savings into other critical infrastructure needs that will enhance public experience.

Project Timeline

Funding: 2024

Pre-Design - Design: 2024

Bid and construction: 2025

Completion: Spring 2026

Other Considerations

The Minnesota Discovery Center (MDC) is a 501c(3) nonprofit in charge of operating and maintaining state-owned capital assets originally constructed in the 1970's and 1980's by the Governor Rudy Perpich Administration. MDC's current capital budget is not enough to address the more than \$40 million in critical infrastructure needs across our 660-acre campus. In this bonding proposal we have identified the most urgent capital needs in an effort to address them before an emergency situation arises. Currently, historical collections are at high risk due to inadequate, outdated, and failing archival infrastructure. Something as simple as a false fire alarm could destroy millions of irreplaceable records and artifacts at any time. MDC strongly believes that state-owned facilities, such as our historical archives, should uphold to the highest standards, as they belong to the residents of Minnesota.

- MDC is the largest state-owned records repository outside of St. Paul and one of the largest museum and cultural complexes in northern Minnesota.
- MDC can allocate an additional \$400,000 toward this project to cover any costs above and beyond the \$10.155 million.
- MDC is one of Chisholm's largest employers and has a \$3.89 million annual economic impact to local and surrounding communities.
- In 2021 alone, MDC's research center archival collection served thousands of individuals from 48 states and 17 countries as well as military APO's and Washington, D.C.
- The project benefits rural residents in a distressed region of our state and serves all Minnesotans.
- The project creates jobs, attracts more tourists to our region, and helps diversify employment opportunities for our regional workforce.
- The research center and archival spaces are free resources for the public to utilize.
- Museums in Minnesota have a \$917 million economic impact and rank among the most trusted institutions in the U.S.

Impact on Agency Operating Budgets

This project will provide significant energy savings and building efficiencies as well as create new revenue through facility rentals and special events. Furthermore, the project will allow us to serve a larger research and academic audience both in-person and virtually which will also increase revenue. MDC will save tens of thousands of dollars by not having to do major repairs and maintenance on an annual basis.

Description of Previous Appropriations

NA

Project Contact Person

Linda Johnson
Property Development
218-969-9022
linda.l.johnson@state.mn.us

Governor's Recommendation

The Governor does not recommend capital funding for this request.

Iron Range Resources and Rehabilitation

Project Detail

(\$ in thousands)

Minnesota Discovery Center

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2024	FY 2026	FY 2028
State Funds Appropriated and Requested				
General Obligation Bonds	\$ 0	\$ 10,155	\$ 0	\$ 0
State Funds Pending				
Non-State Funds Already Committed				
Other State Funds	\$ 168	\$ 0	\$ 0	\$ 0
Non-State Funds Pending				
TOTAL	\$ 168	\$ 10,155	\$ 0	\$ 0

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2024	FY 2026	FY 2028
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 168	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 691	\$ 0	\$ 0
Project Management	\$ 0	\$ 150	\$ 0	\$ 0
Construction	\$ 0	\$ 7,819	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 452	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 1,043	\$ 0	\$ 0
TOTAL	\$ 168	\$ 10,155	\$ 0	\$ 0

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2024	FY 2026	FY 2028
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 10,155	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	Yes
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	Yes
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6)?	Yes
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	Yes
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	Yes
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2028?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A