

# Governor's 2019 Capital Budget Recommendations

Agency & Project	Source	2019 Gov Rec
<b>Administration</b>		<b>12,700</b>
<b>CAPRA (Capital Asset Preservation and Replacement Account)</b>	<b>GO</b>	<b>10,000</b>
The Governor recommends \$10 million to fund the Capital Asset Preservation and Replacement Account (CAPRA). This account is for emergency repairs and unanticipated hazardous material abatement needs for state owned facilities.		
<b>Redevelopment of Ford Building Site</b>	<b>GO</b>	<b>1,500</b>
The Governor recommends \$1.5 million for demolition of the Ford Building and site work necessary for future development. The Ford Building has been vacant since 2004 and is in critical condition according to the Department's assessment. This project will address safety hazards and will allow the site to be repurposed to meet state facility needs.		
<b>Real Estate Strategic Plan</b>	<b>GF</b>	<b>1,200</b>
The Governor recommends \$1.2 million to complete a Strategic Plan for locating state agencies. Statutes require the Commissioner of Administration to regularly update the plan (M.S.16B.24). The last strategic plan was a 20 year plan drafted in 1993 that no longer provides relevant guidance related to building locations, agency co-location opportunities, lease vs. own strategies, transit, and other factors.		
<b>Agriculture</b>		<b>60,621</b>
<b>MDA/MDH Lab Building Infrastructure</b>	<b>GO</b>	<b>19,901</b>
The Governor recommends \$20.621 million to make mechanical, architectural, and electrical improvements to correct safety, energy, and operational efficiency issues at the joint Minnesota Department of Agriculture (MDA) and Minnesota Department of Health (MDH) Laboratory. Funding will ensure the building and its various systems will perform as originally designed and provide a stable environment for laboratory testing.	<b>GF</b>	<b>720</b>
<b>Rural Finance Authority Loans (User-Finance)</b>	<b>GO-UF</b>	<b>40,000</b>
The Governor recommends \$40 million in user-financed bonds for the Rural Finance Authority (RFA) loan programs. The RFA partners with agricultural lenders to provide low-cost financing to farmers on terms and conditions not otherwise available from other credit sources. The RFA portion of the loan is carried at a reduced interest rate to improve the cash flow of eligible farmers.		

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<b>Amateur Sports Commission</b>		<b>3,000</b>
<b>National Sport Center Field Expansion</b>	<b>GO</b>	<b>2,500</b>
The Governor recommends \$2.5 million to demolish and reconstruct a maintenance building at the National Sports Center in Blaine. The maintenance facility is used to store equipment and supplies needed to operate the 600 acre campus.		
<b>National Sport Center Asset Preservation</b>	<b>GO</b>	<b>500</b>
The Governor recommends \$500 thousand for asset preservation for projects at the National Sports Center (NSC) in Blaine. These projects are intended to ensure the safety and health of participants and staff using the stadium and indoor ice arena. The National Sports Center has an estimated \$42 million in deferred maintenance needs.		
<b>Corrections</b>		<b>38,800</b>
<b>Corrections Asset Preservation</b>	<b>GO</b>	<b>20,000</b>
The Governor recommends \$20 million for asset preservation to repair and renew Minnesota prisons. Projects will address safety hazard and code compliance issues, emergency power/egress lighting upgrades, preservation of building exteriors and interiors, perimeter security systems replacement/upgrades, tuck pointing, roof replacement, window and door replacement, and other similar issues. The Department's total deferred maintenance needs are estimated at \$593 million.		
<b>Lino Lakes Building E Renovation</b>	<b>GO</b>	<b>7,500</b>
The Governor recommends \$7.5 million to renovate an existing empty building at the Lino Lakes facility to a 60 prison bed housing unit. This project will provide additional bed space for male offenders and will alleviate the existing housing shortage the Department is facing.		
<b>Saint Cloud Interior Perimeter Fence</b>	<b>GO</b>	<b>2,700</b>
The Governor recommends \$2.7 million to complete the installation of an interior perimeter fence inside the granite walls of the MCF St. Cloud facility. The completion of the new perimeter fence will provide the latest in technology for perimeter security for the safety of the facility and public.		
<b>Togo Sewer System</b>	<b>GO</b>	<b>2,600</b>
The Governor recommends \$2.6 million for the construction of a sewage treatment facility including, settling ponds, pumping stations and other infrastructure, to avoid ground water contamination and the potential contamination of two lakes adjacent to the facility. The current system is approximately 65 years old.		

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<b>St. Cloud Fire Suppression</b>	<b>GO</b>	<b>1,600</b>
The Governor recommends \$1.6 million for a fire suppression system in three living units at the St. Cloud Facility. The installation of the system will mitigate a life safety issue, and bring the system into compliance with state and local codes.		
<b>Stillwater Fire Suppression</b>	<b>GO</b>	<b>2,600</b>
The Governor recommends \$2.6 million for a fire suppression system six out living units at the Stillwater Facility. Currently, there are stand pipes (fire hose connections) in six of the eight living units at the facility, but they do not have a comprehensive fire protection system.		
<b>Red Wing Master Control &amp; ADA Compliance</b>	<b>GO</b>	<b>1,800</b>
The Governor recommends \$1.8 million for renovation of the master control area of the Red Wing facility to provide for improved security in the facility. This project would also address accessibility deficiencies to improve access for visitors and staff in the Administration Building.		
<b>Education</b>		<b>1,500</b>
<b>Library Construction Grants</b>	<b>GO</b>	<b>1,500</b>
The Governor recommends \$1.5 million for the Library Construction competitive grant program. This program enables public libraries receiving funding to improve access and meet ADA compliance standards by removing architectural barriers and replacing deficient facilities.		
<b>Employment and Economic Development</b>		<b>5,000</b>
<b>Business Development Public Infrastructure (BDPI)</b>	<b>GO</b>	<b>3,000</b>
The Governor recommends \$3 million for the Business Development Public Infrastructure (BDPI) program. BDPI is a competitive grant program that provides cities in Greater Minnesota with up to 50% of public infrastructure costs necessary to support economic development in high-growth industries. Eligible public infrastructure projects include sewers, streets and utility extensions.		
<b>Innovative Business Development Public Infrastructure (IBDPI)</b>	<b>GO</b>	<b>2,000</b>
The Governor recommends \$2 million for the Innovative Business Development Public Infrastructure (IBDPI) program. IBDPI is a competitive grant program that provides cities in Minnesota with up to 50% of public infrastructure costs necessary to support economic development in innovative industries. Eligible public infrastructure projects include sewers, streets, utility extensions, land acquisition, and telecommunications.		

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<b>Historical Society</b>		<b>16,750</b>
<b>Historic Fort Snelling Visitor Center</b>	<b>GO</b>	<b>12,000</b>
The Governor recommends \$12 million to complete construction of a visitor center facility within historic buildings adjacent to Historic Fort Snelling, as well as landscaping and wayfinding features to enhance the visitor experience.		
<b>Historic Sites Asset Preservation</b>	<b>GO</b>	<b>4,000</b>
The Governor recommends \$4 million for preservation and restoration of historic structures, landscapes, and building systems in the State Historic Sites Network and for monuments located statewide. Projects are prioritized based on long range planning, building analysis, and structural conditions. The Society has an estimated \$79 million in deferred maintenance needs.		
<b>County and Local Historic Preservation Grants</b>	<b>GO</b>	<b>750</b>
The Governor recommends \$750 thousand for grants to preserve historic assets owned by county and local entities. This program leverages local funding to preserve historic structures such as depots, senior and community centers, schools, bridges, theaters, park buildings, museums, water towers, and township halls.		
<b>Housing Finance</b>		<b>150,000</b>
<b>Housing Infrastructure Bonds</b>	<b>AP</b>	<b>120,000</b>
The Governor recommends authorizing the Minnesota Housing Finance Agency to sell \$120 million in Housing Infrastructure Bonds and recommends a corresponding appropriation of \$4.8 million in FY 2023 and \$9.6 million annually from the general fund beginning in FY 2024 for 20 years to pay the debt service on the bonds. Funds are awarded statewide on a competitive basis to private for-profit and non-profit developers. Funds will be used to preserve federally subsidized rental housing; to acquire, rehabilitate, or construct permanent supportive housing; or to acquire land that will be held in community land trusts for single family home ownership.		
<b>Public Housing Rehabilitation</b>	<b>GO</b>	<b>30,000</b>
The Governor recommends \$30 million for the Public Housing Rehabilitation program to preserve existing public housing and keep it decent, safe, and healthy for its low income residents. Funds are awarded statewide on a competitive basis to local public housing authorities.		

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<b>Human Services</b>		<b>18,288</b>
<b>MN Sex Offender Program (St. Peter) Phase 2</b>	<b>GO</b>	<b>18,288</b>
The Governor recommends \$18.288 million to remodel more than 63,000 square feet of existing space on the St. Peter campus. Renovations will increase capacity of MSOP's Community Preparation Services (CPS) by 50 beds, allowing DHS to comply with court-ordered transfers of clients out of the secure perimeter and additional clients to participate in reintegration programming.		
<b>Management and Budget</b>		<b>1,151</b>
<b>Bond Sale Expenses</b>	<b>GO</b>	<b>1,059</b>
The Governor recommends \$1.151 million to cover expenses associated with the bond sales necessary to fund the projects included in his 2019 capital budget recommendation.	<b>THB</b>	<b>92</b>
<b>Metropolitan Council</b>		<b>25,000</b>
<b>Busway, Bus Guideway and Express Bus Development Program</b>	<b>GO</b>	<b>20,000</b>
The Governor recommends \$20 million for design, environmental work, acquisition right of way, engineering, and construction along regional express bus and busway corridors.		
<b>Inflow/Infiltration Grant Program</b>	<b>GO</b>	<b>5,000</b>
The Governor recommends \$5 million for grants to municipalities for public infrastructure improvements to reduce inflow and infiltration into local and regional wastewater collection systems.		
<b>Military Affairs</b>		<b>12,702</b>
<b>Rosemount Armory Repair and Restoration</b>	<b>GO</b>	<b>10,507</b>
The Governor recommends \$10.507 million to renovate the Rosemount Readiness Center. The renovations include installing modern HVAC systems, upgrading life/safety systems, reconfiguring the space to meet current needs, increasing energy efficiency, and upgrading the facility to serve a dual gender force.		
<b>Fergus Falls Armory Repair and Restoration</b>	<b>GO</b>	<b>2,195</b>
The Governor recommends \$2.195 million to renovate the Fergus Falls Readiness Center. The renovations include installing modern HVAC systems, upgrading life/safety systems, reconfiguring the space to meet current needs, increasing energy efficiency, and upgrading the facility to serve a dual gender force.		

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<b>Minnesota State</b>		<b>150,000</b>
<b>Minnesota State HEAPR</b>	<b>GO</b>	<b>150,000</b>
The Governor recommends \$150 million for Higher Education Asset Preservation and Replacement (HEAPR). HEAPR funds are used to maximize and extend the life Minnesota State buildings. Renovations and maintenance funded through HEAPR ensure the health safety and well-being of building occupants and extend the useful life of existing facilities. Minnesota State's total deferred maintenance backlog is approximately \$1 billion.		
<b>Minnesota Zoo</b>		<b>25,000</b>
<b>Revitalize the Zoo</b>	<b>GO</b>	<b>21,000</b>
The Governor recommends \$21 million to renew the Minnesota Zoo's exhibits, enhance animal welfare, and improve the guest experience. This recommendation is part of a 10-year plan that prioritizes repurposing the monorail infrastructure into a treetop trail, renovation of the Zoo's animal hospital, and revitalizing the nocturnal exhibit in the center of the Tropics Trail making the campus more accessible and user-friendly to a broader demographic.		
<b>Asset Preservation</b>	<b>GO</b>	<b>4,000</b>
The Governor recommends \$4 million for asset preservation at the Minnesota Zoo. The zoo plans to prioritize upgrading the Tropics Trail aviary mesh and skylights, restructuring the moose exhibit, replacing of the mechanical and life-support systems, and replacing unsafe bridges and railings. These upgrades will improve safety, enhance the customer experience, and improve animal welfare. The zoo's total deferred maintenance needs are about \$34 million.		
<b>Natural Resources</b>		<b>131,000</b>
<b>Fire Operation Airport Infrastructure</b>	<b>GO</b>	<b>2,000</b>
The Governor recommends \$2 million for infrastructure at the Range Regional Airport in Hibbing that supports the Department's wildfire-fighting response work. This project involves replacing aircraft staging areas and ramps, which are beyond repair. Funding remaining after completion of this project would be used for similar improvements at municipal airports in Bemidji and Brainerd.		
<b>Natural Resources Asset Preservation</b>	<b>GO</b>	<b>71,500</b>
The Governor recommends \$71.5 million to maintain the Department's existing buildings, roads, trails, water accesses, bridges, recreational facilities, and utilities. The Department estimates this recommendation will partially cover preservation of its \$3 billion worth of capital assets that requires \$168 million per year to fully maintain.		

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<b>Betterment of Buildings</b>	<b>GO</b>	<b>14,000</b>
The Governor recommends \$14 million to upgrade the Department's offices, state park sanitation buildings, and fish hatcheries. The funds will improve and replace buildings, construct storage buildings, and design projects for future capital budget requests.		
<b>Acquisition and Betterment of Public Lands</b>	<b>GO</b>	<b>20,000</b>
The Governor recommends \$20 million to acquire and enhance state lands in order to improve and conserve Minnesota's natural heritage, enrich public outdoor recreational opportunities and provide for the commercial uses of natural resources.		
<b>Improving Accessibility to State Parks and Rec Areas</b>	<b>GO</b>	<b>19,500</b>
The Governor recommends \$19.5 million to upgrade several existing state parks to improve accessibility and meet standards set by the Americans with Disabilities Act. The renovations could include visitor centers, day use facilities, shower buildings, vault toilets, sidewalks, parking areas and selected trails.		
<b>Dam Safety Repair, Reconstruction and Removal</b>	<b>GO</b>	<b>2,000</b>
The Governor recommends \$2 million for the repair, reconstruction, or removal of dams, and for response to dam safety emergencies. Minnesota's dam infrastructure consists of nearly 800 publicly-owned dams. This funding is intended to ensure their structural integrity and prevent public safety hazards.		
<b>Parks and Trails Local and Regional Grant Program</b>	<b>GO</b>	<b>2,000</b>
The Governor recommends \$2 million to provide competitive grants to local governments for acquisition and development of local and regional parks and trails across the state. This recommendation will allow communities to acquire land, develop or redevelop parks, and provide funding for trail projects.		
<b>Perpich Center for Arts Education</b>		<b>5,000</b>
<b>Asset Preservation</b>	<b>GO</b>	<b>5,000</b>
The Governor recommends \$5 million for asset preservation to address the majority of the Perpich Center's nearly \$7 million deferred maintenance backlog. This funding will maintain, repair, and replace various building systems such as boilers, plumbing, chillers, and elevators.		

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<b>Pollution Control Agency</b>		<b>15,300</b>
<b>Clay County (Capital Assistance Program)</b>	<b>GO</b>	<b>7,300</b>
The Governor recommends \$7.3 million for a grant to Clay County to implement a new transfer station that advances integrated solid waste management in accordance with the Waste Management Act. The effort will create the capacity to recycle additional materials, improve management of problem materials, create efficiencies in processes, and respond and react to changing waste streams.		
<b>Hennepin County (Capital Assistance Program)</b>	<b>GO</b>	<b>2,000</b>
The Governor recommends \$2 million for a facility expansion that will increase capacity at Hennepin County's transfer station in Brooklyn Park, resulting in the ability to manage a larger quantity of organics materials.		
<b>Organics Infrastructure (Capital Assistance Program)</b>	<b>GO</b>	<b>5,000</b>
The Governor recommends \$5 million for a grant program that will expand composting infrastructure across the state. The agency will host a competitive process that will award top applicants with funds to build or expand compost facilities and/or to add transfer capacity for organics.		
<b>Coon Rapids (Capital Assistance Program)</b>	<b>GO</b>	<b>1,000</b>
The Governor recommends \$1 million to expand the Coon Rapids Recycling Center. This recommendation will allow the Recycling Center to collect, store and manage greater volumes of material, and to allow for the collection of new commodities.		
<b>Public Facilities Authority</b>		<b>67,000</b>
<b>State Matching Funds Federal Grants to State Revolving Loan Programs</b>	<b>GO</b>	<b>5,000</b>
The Governor recommends \$5 million to match an estimated \$25 million in federal funds and to increase lending capacity in the Clean Water and Drinking Water Revolving Funds. State and federal funds are used with loan repayments and Public Facilities Authority revenue bonds to provide low-interest loans to communities for clean water and drinking water infrastructure projects statewide. Eligible projects are prioritized based on environmental and public health criteria.		

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<b>Wastewater Infrastructure Fund</b>	<b>GO</b>	<b>40,000</b>
The Governor recommends \$40 million for the Water Infrastructure Funding (WIF) program which provides supplemental assistance grants to communities that meet affordability criteria and receive Public Facilities Authority loans or water financing from the U.S. Department of Agriculture's Rural Development program. These grants help communities build clean water and drinking water infrastructure projects while keeping costs affordable for residents.		
<b>Point Source Implementation Grants</b>	<b>GO</b>	<b>22,000</b>
The Governor recommends \$22 million for the Point Source Implementation Grants (PSIG) program which provides grants to communities to help pay for water treatment plant upgrades to address water quality restoration and protection goals. These grants help communities construct wastewater, stormwater, and drinking water treatment projects when the Pollution Control Agency determines that higher levels of treatment are necessary to meet water quality goals.		
<b>State Academies</b>		<b>13,200</b>
<b>Security Corridor Design</b>	<b>GO</b>	<b>5,300</b>
The Governor recommends \$5.3 million to fund the construction of a safety corridor on the MN State Academy for the Deaf campus. The security corridor would create a single entrance which would control student, staff, and public access to three school buildings. This request also includes pre-design, design, and renovation for the two of the impacted buildings, Smith and Quinn Halls.		
<b>Asset Preservation</b>	<b>GO</b>	<b>4,000</b>
The Governor recommends \$4 million in asset preservation funds to maintain and preserve buildings on the two campuses of the State Academy for the Blind and the State Academy for the Deaf.		
<b>Dorm Renovations</b>	<b>GO</b>	<b>3,900</b>
The Governor recommends \$3.9 million to design and renovate the Kramer, Brandeen, and Rode dormitories on the MN State Academy for the Blind (MSAB) Campus. Dorm renovations would modernize living spaces to better meet the social, emotional and cultural needs of students. The project will also address life/safety and accessibility issues.		

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<b>Transportation</b>		<b>350,000</b>
<b>Facilities Capital Program</b>	<b>THB</b>	<b>40,000</b>
The Governor recommends \$40 million for the Facilities Capital Improvement Program for costs associated with design, renovation, and construction at seven MnDOT facilities across the state. The program will provide a systemic approach to maintaining, renovating, and replacing MnDOT buildings.		
<b>Minnesota Rail Service Improvement Program</b>	<b>GO</b>	<b>5,000</b>
The Governor recommends \$5 million for freight rail projects that improve freight rail service in Minnesota. These funds would provide grants and long-term no-interest loans to regional railroad authorities, short line/regional railroads, and shippers to improve rail facilities, increase rail shipping and support economic development.		
<b>Highway/Railroad Grade Crossing -Warning Devices</b>	<b>GO</b>	<b>12,000</b>
The Governor recommends \$12 million to replace obsolete railroad crossing signals around the state. These signal systems are 25 to 30 years old and frequently break down, and replacement parts are hard to find.		
<b>Local Bridge Replacement Program</b>	<b>GO</b>	<b>100,000</b>
The Governor recommends \$100 million for the Local Bridge Replacement program. Grants to local governments provide funding for the reconstruction, rehabilitation or removal of bridges or structures on their local road systems.		
<b>Local Road Improvement Program</b>	<b>GO</b>	<b>100,000</b>
The Governor recommends \$100 million for the Local Road Improvement program. Grants to local governments provide funding for construction or reconstruction of local roads.		
<b>Safe Routes to Schools Grant Program</b>	<b>GO</b>	<b>10,000</b>
The Governor recommends \$10 million for infrastructure projects that increase safe and convenient opportunities for children to walk and bicycle to school in communities across Minnesota.		
<b>Port Development Assistance Program</b>	<b>GO</b>	<b>14,000</b>
The Governor recommends \$14 million to support the infrastructure needs of Minnesota's public ports. This program funds partnership programs with local governments to improve freight handling efficiency on the commercial waterway systems. Typical project funding requires a 20 percent local share.		

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<b>Passenger Rail Program</b>	<b>GO</b>	<b>11,000</b>
The Governor recommends \$11 million to provide matching funds for implementation of passenger rail service, such as the Northern Lights Express service to Duluth or Twin Cities to Milwaukee High Speed rail.		
<b>Hazardous Materials Rail Grade Separation</b>	<b>THB</b>	<b>52,000</b>
The Governor recommends \$52 million in Trunk Highway Bonds to construct a rail grade crossing separation in Moorhead. The intersection of the railroad crossing at Highways 10 and 75 in Moorhead has high levels of vehicular and rail traffic, which creates traffic gridlock, vehicular and pedestrian safety concerns, and impacts emergency services.		
<b>Page &amp; Hill Superfund Site</b>	<b>GO</b>	<b>6,000</b>
The Governor recommends \$6 million for cleanup of 15 acres of abandoned railroad property located near Big Falls in Koochiching County that was accepted into MnDOT's railbank program. This recommendation will remediate soil and ground water contaminated with wood treating chemicals and petroleum products.		
<b>University Of Minnesota</b>		<b>150,000</b>
<b>U of M HEAPR</b>	<b>GO</b>	<b>117,700</b>
The Governor recommends \$117.7 million for Higher Education Asset Preservation and Replacement (HEAPR). The funds will be used system-wide to maximize and extend the life of the University's existing facilities. Individual projects will fall into one of four broad categories: health, safety and accessibility; building systems; utility infrastructure; and energy efficiency.		
<b>Child Development Building Replacement</b>	<b>GO</b>	<b>28,000</b>
The Governor recommends \$28 million to replace the Child Development Building, including renovation, demolition, and new construction. The new facility will house the Institute of Child Development, which is the top ranked program of its kind in the country.		
<b>A.B. Anderson Hall Renovation</b>	<b>GO</b>	<b>4,300</b>
The Governor recommends \$4.3 million to renovate A.B. Anderson Hall on the Duluth campus. The project includes mechanical upgrades and replacement of life safety systems, and will modernize 35,000 square feet of teaching space that serves more than 4,500 students studying communication, philosophy, history, and art.		

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<b>Veterans Affairs</b>		<b>10,000</b>
<b>Asset Preservation</b>	<b>GO</b>	<b>10,000</b>
The Governor recommends \$10 million for department-wide asset preservation. MDVA uses asset preservation funding to maintain and repair over one million square feet spread over 58 buildings, some of which are over 100 years old, that house approximately 900 client residents.		
<b>Water and Soil Resources, Board</b>		<b>10,000</b>
<b>Local Government Roads Wetland Replacement Program</b>	<b>GO</b>	<b>10,000</b>
The Governor recommends \$10 million to support replacing wetlands drained or filled by local government road construction projects with wetlands elsewhere in the state. This program helps meet the "no net loss" requirements in state and federal regulations.		

## Capital Budget Summary

*(in thousands)*

Totals by Funding Source	
General Obligation Bonds	1,018,000
Appropriation Bonds	120,000
General Fund Cash	1,920
User-Financed General Obligation Bonds	40,000
Trunk Highway Bonds	92,092

<b>General Fund-Supported Bonds &amp; Cash</b>	<b>1,139,920</b>
<b>Other Bonding</b>	<b>132,092</b>
<b>Grand Total</b>	<b>1,272,012</b>

## Debt Service Costs

*(in thousands)*

	FY 2020	FY 2021	FY 2022	FY 2023
General Obligation Bonds	16,314	59,083	65,209	62,190
Appropriation Bonds	-	-	-	4,800
General Fund Cash	1,920	0	0	0
<b>Total General Fund</b>	18,234	59,083	65,209	66,990
		<b>77,317</b>		<b>132,199</b>
<b>Trunk Highway Bonds</b>	1,441	5,531	8,189	8,607
		<b>6,972</b>		<b>16,796</b>