

Project Title	2012 Agency Priority Ranking	Agency Project Request for State Funds (\$ by Session)				Governor's Recommendations	Governor's Planning Estimate	
		2012	2014	2016	Total		2012	2014
Local Bridge Replacement Program	1	\$75,000	\$75,000	\$75,000	\$225,000	\$0	\$0	\$0
Greater Minnesota Transit	2	30,240	30,240	30,240	90,720	0	0	0
Local Road Improvement Fund Grants	3	30,000	30,000	30,000	90,000	0	0	0
Highway/Rail Grade Crossing Warning System Replacement	4	5,000	5,000	5,000	15,000	0	0	0
Rochester Maintenance Facility	5	15,860	0	0	15,860	0	0	0
Willmar District Headquarters	6	4,250	0	0	4,250	0	0	0
Arden Hills Training Center	7	7,360	0	0	7,360	0	0	0
Plymouth Truck Station	8	5,500	0	0	5,500	0	0	0
Cambridge Truck Station	9	3,300	0	0	3,300	0	0	0
Design Fees-Crookston, Eden Prairie, Mendota Truck Station	10	1,100	0	0	1,100	0	0	0
Rail Service Improvements	11	10,000	10,000	10,000	30,000	0	0	0
Port Development Assistance	12	10,000	10,000	10,000	30,000	0	0	0
High Speed Rail Corridor State Match	13	50,000	50,000	50,000	150,000	0	0	0
Crookston Vehicle Storage		0	3,500	0	3,500	0	0	0
Eden Prairie Truck Station		0	3,600	0	3,600	0	0	0
Mendota Truck Station Addition		0	4,200	0	4,200	0	0	0
Total Project Requests		\$247,610	\$221,540	\$210,240	\$679,390	\$0	\$0	\$0

Local Bridge Replacement Program

2012 STATE APPROPRIATION REQUEST: \$75,000,000

AGENCY PROJECT PRIORITY: 1 of 13

PROJECT LOCATION: Statewide

Project At A Glance

- \$75 million request
- There are 960 deficient local bridges that need maintenance; this request would provide funding for approximately 82 bridges.
- Bridge projects requested in 87 counties and cities across the state. Will be supplemented with \$150 million of federal bridge replacement funds, state-aid funds, and local funds.

Project Description

This request for \$75 million in state funds is to replace or rehabilitate deficient bridges owned by local governments throughout the state.

One of Minnesota Department of Transportation (MnDOT's) priorities is to maintain and preserve Minnesota's existing transportation systems and infrastructure. Bridges are critical links in the transportation system and state financial assistance to local units of government is necessary because many structures are too costly to be replaced or rehabilitated with local funds alone. M.S. Sec. 174.50, subd. 6c allows funds to be spent for replacement or rehabilitation of a fracture-critical bridge.

State bridge replacement funds are used in two ways. The first way is to leverage or supplement other types of bridge replacement funding such as federal-aid, state-aid, and township bridge funds.

Federal-aid funds provide up to 80 percent of the bridge funding for eligible projects with the local governments responsible for providing the matching funds. Projects chosen for federal aid are typically larger, more expensive projects, and even a 20 percent match is a significant cost for a local agency to bear. These funds provide the match.

On the state-aid system, these funds are used to share in the cost of bridge replacement. The high cost of bridges often makes it impractical to fund them completely with state-aid funds, and so these funds are used as a supplement. The cost split is usually 50/50.

On the township system, these funds are only used when a county has depleted its town bridge account. In those cases, these funds are used for 100 percent of the eligible construction costs.

The second way these funds are used is to provide funds for bridges that have no other source of federal-aid or state-aid funds. Bridges on the county road and city street systems are not eligible for state-aid or township bridge funds. Bridges less than 20 feet long are not eligible for federal aid, and there are not sufficient federal-aid funds to replace all the bridges that are eligible. These funds are used for 100 percent of the eligible construction costs for county road and city street bridges.

Local government units share in the project by assuming all costs for design and construction engineering, right of way, bridge removal, and items not directly attributable to the bridge, such as approach grading and roadway surfacing costs. Whenever a bridge is replaced, it is required that the approach roadway meet current standards. The state-aid variance process is available when approach costs become unreasonable.

Other alternatives to replacing a bridge are always considered before funds are approved. Alternatives such as consolidating routes to eliminate a crossing, building a road in lieu of a bridge, and abandoning the road are common. Funds are made available, up to the cost of the equivalent replacement bridge, to make these alternative improvements practical and to remove a structure permanently from the bridge inventory.

Local Bridge Replacement Program

In order to promote innovation and accelerated bridge construction (ABC) on the local system, \$5 million of the bridge bonds will be set aside. Benefits of ABC may include reduction of construction time, enhance constructability, and reduction of environmental impacts, minimized traffic disruption, and improved quality and life cycle costs. Elements and methods of ABC may include precast concrete elements, modular construction, structure placement methods, and innovative contracting.

The January 2000 Legislative Study of State Bridge Grant Funding for Local Bridges says that this impending wave means the state will need to implement a continuous local bridge funding program to maintain the rate of progress in the reduction of deficient local bridges that has been seen in past years. Furthermore, the demand for resources to replace and repair deficient local bridges will increase significantly due to this wave of aging bridges combined with the large deck sizes of the newer bridges.

Impact On Agency Operating Budgets (Facilities Note)

Administration of this program through the State Aid for Local Transportation Division will be completed using the existing organization and infrastructure and within existing budgets.

Previous Appropriations for this Project

The 2011 bonding bill appropriated \$33 million, 2010 bonding bill appropriated \$66.0 million, and 2008 bonding bill appropriated \$50 million for this program. In the 2008 bonding bill, \$50 million was appropriated for the statewide bridge replacement program and funded the replacement of 132 bridges. From the 2010 bond funds, to date, we have funded 131 bridge projects, not including the \$16 million of the \$66 earmarked to 3 projects identified in Fergus Falls, Hennepin County, and Minneapolis. The \$33 million recently approved in the 2011 bonding bill program is projected to result in the replacement, rehabilitation, or removal of approximately 100 additional bridges.

Funding for the program was first provided in 1976. In 1977, Minnesota had 4,856 deficient bridges on the local road systems. Minnesota's bridges are aging and each year more become structurally deficient or functionally

obsolete due to deterioration and increased traffic. As of December 2008, there were 1,800 deficient county, city, and township bridges in Minnesota.

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Governor's Recommendations

2012 STATE APPROPRIATION REQUEST: \$30,240,000

AGENCY PROJECT PRIORITY: 2 of 13

PROJECT LOCATION: Greater Minnesota

Project At A Glance

The capital budget request for Greater Minnesota transit consists of the following in priority order:

- 1) The remaining funding necessary to build a bus garage in Rochester (\$7,600,000)
- 2) Funding to remodel the former MnDOT district office in Mankato into a bus maintenance and storage facility (\$5,200,000)
- 3) Renovation of the downtown transit hub in St. Cloud (\$480,000)
- 4) Funding to construct a multimodal transportation terminal in Duluth (\$16,000,000)
- 5) Construction of an operations center office and additional vehicle storage in St. Cloud (\$960,000)

Project Description

The top priority project entails the design and construction of a public transit operations center and garage for the city of Rochester. The city currently leases space for bus operations including dispatching, bus storage and maintenance. (Approximately 14 out of 39 buses are stored outside due to current space limitations.) All environmental approvals have been received. The site was acquired based on FTA approval of the appraisal. The 15 acre site will include approximately 120,000 square feet of building including parking for 60 buses. The estimated cost with building construction, ROW, design and utility work is \$23,100,000. There are other approved companion grants leaving a requirement for approximately \$9,500,000 of which 80%, or \$7,600,000, is requested here for construction.

For the second priority project, the city of Mankato intends to move its Department of Public Works to the former MnDOT building at 501 South Victory Drive. Transit is located within the Department of Public Works. This funding will be used to remodel a portion of the facility for the transit system.

This will move the entire transit operation, including bus garage, maintenance area, wash facility and office space, to the former MnDOT site. This also includes constructing a 25,400 square foot facility to house the transit fleet of 19 vehicles. In addition, Transit will require a new automatic vehicle wash facility, two manual wash bays, an office remodel, a maintenance pit for buses, a connecting building between the wash facility and garage, an extension of water and sewer service and replacement of the cold storage building. The total of cost of the transit portion of the project is estimated at \$6,500,000. This request is for 80%, or \$5,200,000, with the balance of 20%, or \$1,300,000, to come from local sources.

The third priority project is the renovation of the downtown transit hub in St. Cloud, which has been well used and needs updating. Total cost of the project is estimated at \$600,000. This request is for \$480,000, with local funds covering the remaining \$120,000.

The preferred location for the fourth priority project, a multimodal transit terminal, is across South 5th Avenue from the Duluth Depot, which will also serve as the terminus for the Northern Lights Express passenger rail service from Minneapolis to Duluth. The proposed Terminal will connect to the existing downtown sky walk and serve as a hub for intercity bus service. The Terminal will offer connections between rail, cars, bikes, pedestrians and transit riders. Total cost of the project is estimated at \$50,000,000. This request is associated with tasks estimated to cost \$20,000,000. The request is for 80% of the total, or \$16,000,000, with local funds expected to cover the remaining \$4,000,000.

The fifth priority project is construction of an operations center office and additional vehicle storage in St. Cloud. Service provided by St. Cloud Metro Bus has grown and their fleet exceeds the size of their existing facility. This request is for \$960,000 of this \$1,200,000 project, with the remaining \$240,000 provided locally.

Impact on Agency Operating Budgets (Facilities Notes)

The proposed projects have no effect on state operating budgets.

Previous Appropriations for this Project

The Rochester bus garage has received \$1,453,308 in state bonding from 2006 (\$717,600) and 2008 (\$738,308). This program received \$2.5 million during the 2011 special session.

Other Considerations

These projects protect and maintain assets (buses) used in the delivery of transit services to the citizens of Minnesota. Storing buses indoors increases their service life and makes pre- and post-trip inspection more comfortable and thorough.

The facilities will be built using current design and construction techniques to provide an energy efficient, functionally proficient, and economical facility to support productive, healthy, and safe working environments for employees.

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Governor's Recommendations (To be completed by MMB at a later date)

Local Road Improvement Fund Grants

2012 STATE APPROPRIATION REQUEST: \$30,000,000

AGENCY PROJECT PRIORITY: 3 of 13

PROJECT LOCATION: Statewide

Project At A Glance

- To provide \$15 million to assist counties with Rural Road Safety Projects to reduce traffic crashes, deaths, injuries, and property damage. These projects cannot be funded with existing funds.
- To provide \$15 million to assist cities, counties or townships with local road projects with statewide or regional significance and reduce traffic crashes, deaths, injuries, and property damage. These projects cannot be funded with existing funds.

Project Description

This request will provide funding assistance to local agencies for construction, reconstruction, or reconditioning projects on local roads with statewide or regional significance, and projects on county state aid highways.

Local roads provide critical connections to the states' interregional corridors and other trunk highways from towns, shipping points, industries, farms, recreational areas, and other markets. A well-developed local system is vital to any solution for reducing congestion on trunk highways.

A study of local road funding conducted for the legislature in January 2002 found a large and growing need for transportation system improvements. Existing funding mechanisms are limited in handling many of the situations and types of projects identified as important to the state.

State assistance is needed to supplement local effort and the highway user tax distribution fund in financing capital improvements to preserve and develop a balanced transportation system throughout the state. In 2002, the legislature created the Local Road Improvement Program (M.S. Sec. 174.52). The fund for this program has three accounts:

- The Trunk Highway Corridor Projects Account provides funding assistance to local agencies with the local share of costs of improving trunk highways through their communities.
- The Local Road Account for Routes of Regional Significance provides funding assistance to local agency road projects that are significant to the state or region. Such projects may support economic development, provide capacity or congestion relief, provide connections to interregional corridors or other major highways, or eliminate hazards.
- The Local Road Account for Rural Road Safety provides funding for projects on county state-aid highways intended to reduce traffic crashes, deaths, injuries, and property damage.

Impact on Agency Operating Budgets (Facilities Note)

Administration of this program will be funded with existing budgets.

Previous Appropriations for this Project

The 2008 bonding bill provided \$10 million for the Rural Road Safety account. These funds were distributed to counties for 67 safety projects. The 2011 bonding bill provided \$10 million.

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Governor's Recommendations

Highway/Rail Grade Crossing Warning System Replacement

2012 STATE APPROPRIATION REQUEST: \$5,000,000

AGENCY PROJECT PRIORITY: 4 of 13

PROJECT LOCATION: Statewide

Project At A Glance

Replace approximately 18-20 aging highway/rail grade crossing safety gate and signal warning systems.

Project Description

Approximately 18-20 of the oldest systems in the state will be replaced at a cost of approximately \$275,000 per location.

Impact on Agency Operating Budgets (Facilities Notes)

The funding of this program will have no impact on department operating budgets.

Previous Appropriations for this Project

The 2011 Legislature provided \$3 million and the 2010 Legislature provided \$1.6 million in bonding for replacement of aging grade crossing safety warning devices. MnDOT uses federal funds for the installation of new (not replacement) systems at hazardous locations.

Other Considerations

A portion of bond proceeds for this activity may be used for consultant project management assistance.

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Governor's Recommendations (To be completed by MMB at a later date)

Rochester Maintenance Facility

2012 STATE APPROPRIATION REQUEST: \$15,860,000

AGENCY PROJECT PRIORITY: 5 of 13

PROJECT LOCATION: Rochester

Project At A Glance

- Phase II of the Rochester Maintenance Facility project consists of remodeling approximately 94,000 SF of the existing district headquarters for the Minnesota Department of Transportation, including office and conference space, materials lab, and space for Driver and Vehicle Services.
- Phase II will complete improvements at the District 6 headquarters building. Phase I, construction of a maintenance facility and outbuildings, is currently under construction.

Project Description

This phase is expected to cost \$15.86 million. The existing basement and first level will be renovated to provide office space for the District Management Team, business office and a conference center. Driver and Vehicle Services will occupy the existing Materials Laboratory space as a tenant of MnDOT. The existing vehicle maintenance shop will be remodeled to provide two floors of office space for MnDOT program delivery and construction personnel.

A new materials laboratory will be built in part of the vehicle storage area soon to be vacated by road maintenance. This will separate the incompatible functions of general offices and workstations from the loud and odorous activities occurring in the materials lab and allow for a much needed expansion of the materials lab to accommodate its large workload.

The State Patrol office area will not change as part of this project.

Impact on Agency Operating Budgets (Facilities Notes)

Utility costs will increase modestly in the new facility. Current staff will reoccupy the facility after renovations are complete.

Previous Appropriations for this Project

\$1,500,000 was appropriated in 2008 for Schematic Design, Design Development and Construction Document Phases of the project.

\$26,430,000 was appropriated in 2010 for site preparation and construction of a new maintenance facility, unheated storage buildings, salt storage building, brine manufacturing and storage building, fueling station and covered bin storage.

Other Considerations

MnDOT will be providing an energy efficient, functional, and economical facility to support a productive, healthy, and safe working environment for employees.

The remodeled facility will alleviate operational inefficiencies caused by outdated an office arrangement and insufficient lab space.

The majority of existing plant equipment (boilers, air handlers, and the like) is near or beyond its useful life expectancy, which has resulted in increased maintenance an inefficient operation. Significant investment is required to maintain operability of obsolete equipment.

Design and construction efforts have been phased to enable MnDOT to operate continuously at the Rochester site throughout the construction period.

Rochester Maintenance Facility

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Governor's Recommendations (To be completed by MMB at a later date)

Willmar District Headquarters

2012 STATE APPROPRIATION REQUEST: \$4,250,000

AGENCY PROJECT PRIORITY: 6 of 13

PROJECT LOCATION:

Project At A Glance

- Construction of a 28,400 square foot addition to the existing Willmar District Headquarters Building
- Additional vehicle storage
- New truck wash
- Enlarged and improved inventory area and radio shop
- New training room

Project Description

A 28,400 square foot addition will be added to the north side of the building. The new addition will provide a vehicle storage area of approximately 22,200 square feet and a 1,200 square foot truck wash bay.

The addition will also include an office area of approximately 5,000 square feet to accommodate relocated private and open offices for the highway maintenance supervisor, the radio shop and building maintenance staff.

A new training room, sized to accommodate as many as 100 people, will be developed within the existing building or in an addition.

The existing heated vehicle storage will be converted to parking for fleet and sign shop vehicles. The existing inventory storage will also be relocated into this area to improve access for shipping and receiving.

The space in the existing building vacated by relocated departments will be redesigned to provide additional office and support areas.

Site work to accommodate the building addition, parking and circulation, and revised drainage and utility locations will be required.

Impact on Agency Operating Budgets (Facilities Notes)

Utility costs will increase modestly in the new facility. Current staff will be relocated during the construction phase and return to this facility when it is completed.

Previous Appropriations for this Project

\$320,000 was appropriated in 2010 for schematic design, design development and construction documents. This work is currently underway.

Other Considerations

The existing vehicle storage was constructed in 1980 and is inadequate to house modern maintenance equipment. This project would allow heavy equipment which is currently stored outdoors to be housed in an enclosed facility. MnDOT will provide better customer service through enhanced equipment availability and by prolonging the life cycle of taxpayer supported equipment.

MnDOT will be providing an efficient and economical facility with geothermal heating and a healthy and safe workplace for employees.

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Governor's Recommendations (To be completed by MMB at a later date)

Arden Hills Training Center

2012 STATE APPROPRIATION REQUEST: \$7,360,000

AGENCY PROJECT PRIORITY: 7 of 13

PROJECT LOCATION: Arden Hills

Project At A Glance

- Addition and remodeling at the Arden Hills Training Center
- Construction of a 35,000 square foot conference center which will include a 9,000 square foot meeting room divisible into four smaller rooms, additional training classrooms, and support facilities
- Remodeling approximately 12,500 square feet of office space, which will allow the State Patrol to consolidate its two Metro District offices.
- Remodeling and improvements to existing classroom building to bring it up to modern standards

Project Description

The project consists of new construction of an approximately 35,000 square foot conference center, including a 9,000 square foot meeting room divisible into four smaller rooms, a new entrance lobby, offices, catering kitchen, men's and women's restrooms and other support facilities. The existing classroom building will be remodeled to bring it up to current codes and modern standards.

Also included is the remodeling of approximately 12,500 square feet in the existing north building for State Patrol office space. This will allow the patrol to consolidate two Metro district offices. The scope of work will include a new entrance, elevator and stairway.

Impact on Agency Operating Budgets (Facilities Notes)

The conference facility will be used by the Minnesota Department of Transportation (MnDOT) and other state agencies for large meetings, saving the cost of renting large meeting room space.

MnDOT's Training Center has been host to multiple events sponsored by other state agencies. During FY 2008 and FY 2009, 12 percent (336 of 2,897) of the events held at MnDOT's Training Center were sponsored by other state agencies. State agencies that have held events at MnDOT's Training Center include the Departments of Public Safety, Administration, and Natural Resources, Pollution Control Agency and Minnesota Management & Budget. Expansion of MnDOT's Training Center to include the construction of a 9,000 square foot meeting room (divisible into multiple smaller rooms) will help address the ongoing issue all state agencies face when attempting to locate a large meeting space at a reasonable fee. Within the past ten months we have been unable to accommodate 62 requests for training room space due to room unavailability or our inability to accommodate groups larger than 60. Discussions regarding the possible expansion of MnDOT's Training Center have had the involvement of the state of Minnesota's Training Manager to assist in determining the overall state agency need for training and conference room space. The need exists and, if the expansion is approved, MnDOT would continue to partner with state agencies that have previously hosted events at the MnDOT Training Center and also reach out to additional agencies in an effort to assist them with their economical training and conference space needs.

The conference facility will be able to be used by other state agencies, providing revenue to MnDOT and cost savings to the other state agencies. Utility costs will increase moderately in this new facility. Current staff will be shifted from the existing facilities to this facility.

Previous Appropriations for this Project

No funds to date have been appropriated for this project.

Other Considerations

MnDOT will be providing an efficient and economical facility and a healthy and safe workplace for its employees.

Arden Hills Training Center

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Governor's Recommendations (To be completed by MMB at a later date)

Plymouth Truck Station

2012 STATE APPROPRIATION REQUEST: \$5,500,000

AGENCY PROJECT PRIORITY: 8 of 13

PROJECT LOCATION:

Project At A Glance

- Construction of a new Plymouth Truck Station
- The approximately 25,000 square foot truck station facility will contain vehicle storage, offices, crew facilities, inventory center, and truck wash space.
- The project will replace an existing building constructed in the 1960s

Project Description

The project will consist of new construction of a 25,000 to 30,000 square foot truck station and vehicle maintenance facility with offices, heated vehicle storage, truck wash and employee support areas.

The Project will include improvements to site circulation in order to accommodate the new building, an existing salt storage building and an existing unheated storage building. The existing fuel dispensing station will remain in operation at its current location; new utility connections to the truck station building will be installed as part of this project.

MnDOT will design and build a larger facility to current building codes and environmental regulations, capable of supporting and delivering the services required in the Plymouth area.

Impact on Agency Operating Budgets (Facilities Notes)

Utility costs will increase modestly in the new facility. Current staff will be relocated during the construction phase and return to this facility when it is completed.

Previous Appropriations for this Project

\$380,000 was appropriated in 2010 for schematic design, design development and construction documents. This work is currently underway.

Other Considerations

The existing Plymouth Truck Station includes both truck station employees and one of the six bridge crews in the Twin Cities metropolitan area. The facility is not sized for current operations and is functionally obsolete.

Construction of a new truck station will improve site operations, field operations, deployments, and provide opportunity for a potential partnership with the city of Plymouth (a city facility is located adjacent to the truck station site) and operational improvements with regard to materials and fleet management.

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Governor's Recommendations (To be completed by MMB at a later date)

Cambridge Truck Station

2012 STATE APPROPRIATION REQUEST: \$3,300,000

AGENCY PROJECT PRIORITY: 9 of 13

PROJECT LOCATION:

Project At A Glance

- Design and construction of a new Cambridge Truck Station
- The approximately 12,000 square foot truck station facility will contain offices, shops, vehicle support, inventory space, storage spaces, and mechanics' work bays.
- Additional site improvements include a salt storage shelter, brine production building, and an unheated storage building.
- Located in the city of Cambridge, the site has already been acquired by MnDOT.
- Existing MnDOT facility will be disposed of.

Project Description

The project will consist of new construction of a 12,000 square foot truck station and vehicle maintenance facility with offices, mechanics' work bays, heated vehicle storage, and employee support areas. The site will also include an unheated storage building, a salt storage building, and brine production and storage.

The Minnesota Department of Transportation plans to build the new Cambridge truck station on an existing 7.8 acre undeveloped site in the Cambridge Industrial Park. This site will afford efficient access to US Hwy 65 and MN Hwy 95.

MnDOT will design and build a larger facility to current building codes and environmental regulations, capable of supporting and delivering the expanding services required in the Cambridge area.

Impact on Agency Operating Budgets (Facilities Notes)

Utility costs will increase modestly in the new facility. Current staff will be shifted from the existing Cambridge location to this facility.

Previous Appropriations for this Project

7.8 acre site purchased in 2009.

Other Considerations

This project has become necessary due to increasing traveler needs, metropolitan commuters on State Highway 65, the need to support MnDOT's long-range strategic goals of upgrading regional corridors, and the desire to provide a quality facility.

MnDOT will provide better customer service through enhanced equipment availability and by prolonging the life cycle of taxpayer supported equipment.

MnDOT will be providing an efficient and economical facility with geothermal heating and a healthy and safe workplace for employees.

The current MnDOT Cambridge facility is located in the center of the city and adjoins commercial and residential property. Plow truck access is through a residential area; the city of Cambridge is anxious to acquire the existing site for commercial development.

The existing site is just two (2) acres in area, with limited on-storage space for trucks and no opportunity for expansion; the need for leased storage space is inevitable in the near future.

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Governor's Recommendations (To be completed by MMB at a later date)

Design Fees-Crookston, Eden Praire, Mendota Truck Station

2012 STATE APPROPRIATION REQUEST: \$1,100,000

AGENCY PROJECT PRIORITY: 10 of 13

PROJECT LOCATION: Crookston, Eden Prairie, Mendota

Project At A Glance

- Request is \$1,100,000 for three projects
- Investigative, schematic, design development, and construction document design services for a new warm storage addition to the Crookston Headquarters building; value of services is \$300,000.
- Investigative, schematic, design development, and construction document design services for a new warm storage addition to the Eden Prairie Truck Station; value of services is \$400,000.
- Investigative, schematic, design development, and construction document design services for a new warm storage addition to the Mendota Truck Station; value of services is \$400,000.

Project Description

MnDOT facilities must routinely be assessed, replaced and/or upgraded to provide support for the MnDOT mission. Planning, design, and documentation for these facilities must to be initiated now in order to meet Mn/DOT's six year construction schedule. This request is to provide funding for:

Addition to Crookston HQ

This project includes the investigative portion, schematic design, design development, and construction documentation for design of a warm storage addition to the Crookston Headquarters building. Investigative portion may include researching such items as soil composition, environmental issues, suitable building materials, and use of renewable energy sources. This will be an addition to an existing building.

Addition to Eden Prairie Truck Station

This project includes the investigative portion, schematic design, design development, and construction documentation for design of a warm storage addition to the Eden Prairie Truck Station. Investigative portion may include researching such items as soil composition, environmental issues, suitable building materials, and use of renewable energy sources. This will be an addition to an existing building.

Addition to Mendota Truck Station

This project includes the investigative portion, schematic design, design development, and construction documentation for design of a warm storage addition to the Mendota Truck Station. Investigative portion may include researching such items as soil composition, environmental issues, suitable building materials, and use of renewable energy sources. This will be an addition to an existing building.

Impact on Agency Operating Budgets (Facilities Notes)

Utility costs will increase modestly in the new facilities. Current staff will be relocated during the construction phase and return to these facilities when it is completed.

Previous Appropriations for this Project

No funds to date have been appropriated for the project.

Other Considerations

MnDOT will provide better customer service through enhanced equipment availability and by prolonging the life cycle of taxpayer supported equipment.

MnDOT will be providing efficient and economical facilities with geothermal heating and a healthy and safe workplace for employees.

Design Fees-Crookston, Eden Prairie, Mendota Truck Station**Project Contact Person**

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Governor's Recommendations (To be completed by MMB at a later date)

Rail Service Improvements

2012 STATE APPROPRIATION REQUEST: \$10,000,000

AGENCY PROJECT PRIORITY: 11 of 13

PROJECT LOCATION: Statewide

Project At A Glance

- Preserves and improves rail-shipping opportunities in Minnesota to achieve a modally balanced freight transportation system and provide access to markets
- Serves the freight community in Minnesota in support of statewide economic development
- Provides long-term no-interest loans to regional railroad authorities, railroads, and shippers to improve rail facilities and increase railroad shipping

Project Description

The Minnesota Rail Service Improvement (MRSI) Program seeks to preserve and enhance rail service in the state. MRSI assists rail users (shippers) and rail carriers (the railroads) with infrastructure improvements, as well as preservation of rail corridors through land banking.

Minnesota's short line and regional railroads provide a critical function in the rail network. They provide important freight connections between communities and to national and international markets served by the Class 1 railroads. Many of the smaller railroads in Minnesota are in need of capital improvements and rehabilitation to be able to operate safely and reliably. In addition, businesses that wish to ship or receive goods by rail must have adequate rail infrastructure, such as rail spurs, sidings and loading equipment. The MRSI Program assists with such needs.

The MRSI Program includes three primary elements: the Capital Improvement Loan Program, the Rail Line Rehabilitation Program and the Rail Bank Program.

Capital Improvement Loan Program:

Both railroads and shippers are eligible to receive interest-free loans for capital improvements. Typical projects include upgrading small segments of rail lines, construction and extension of rail spurs, bridge replacement or upgrade, and development of loading or unloading facilities. Recipients must meet criteria to protect the investment of Minnesota taxpayers.

Rail Line Rehabilitation Program:

The Rail Line Rehabilitation Program is a partnership program with a rail authority, rail shippers, and the Minnesota Department of Transportation (MnDOT). This program loans money to rail authorities to rehabilitate operating, but deteriorating, rail lines. The program requires shipper financial participation and projects must meet criteria to protect the investment of Minnesota's taxpayers. Rehabilitation loans have included 29 state-funded rehabilitation projects.

Rail Bank Program:

The Rail Bank Program acquires and preserves abandoned rail lines and right-of-way for future transportation use. Once acquired, MnDOT has a financial responsibility to maintain abandoned railroad property placed in the Rail Bank Program.

The MRSI Program was created in 1976 and funding was first authorized in the form of general fund appropriations. In 1982, a Constitutional Amendment allowed for general obligation bonds to be used for the MRSI Program (Minn. Constitution, Art. 11, sec. 5(i)), in addition to any general fund appropriations. Total state appropriations, combined with federal grants and funding from railroads, shippers, and local units of government, together with loan repayment proceeds, have driven rail investments exceeding \$144.5 million.

Solicitations for loans are issued on a regular basis and applications taken. Regional and statewide freight studies, as well as the State Rail Plan, identify needs that may be addressed by the MRSI Program.

Rail Service Improvements

Impact on Agency Operating Budgets (Facilities Notes)

This is a loan program. There is no impact on state operating budgets.

Previous Appropriations for this Project

The Minnesota Legislature has appropriated the following for the MRSI program:

1976	\$3.0 million general fund
1977	\$3.0 million general fund
1979	\$3.0 million general fund
1980	\$13.5 million general obligation bonds
1981	\$1.0 million general fund
1984	\$12.0 million general obligation bonds
2001	\$5.0 million general fund
2002	\$1.0 million general fund
2004	\$3.2 million cancelled back to general fund
2005	\$3.2 million cancelled back to general fund
2006	\$1.5 million general fund
2007	\$2.0 million general fund
2008	\$3.0 million cancelled back to general fund
2009	\$3.0 million cancelled back to general fund
2010	\$2.0 million
2011	\$0.7 million general obligation bonds

Total state appropriations to date are \$47.7 million; cancellations have totaled \$12.4 million.

Direct project level appropriations (both state bonding and federal assistance) are also administered through the program.

Other Considerations

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Governor's Recommendations (To be completed by MMB at a later date)

Port Development Assistance

2012 STATE APPROPRIATION REQUEST: \$10,000,000

AGENCY PROJECT PRIORITY: 12 of 13

PROJECT LOCATION: Multiple Locations

Project At A Glance

- The Minnesota Port Development Assistance Program supports infrastructure needs of Minnesota’s public ports on the Great Lakes and Inland River Navigation Systems.
- Partnership program to improve freight handling efficiency on Minnesota’s commercial waterway systems, with typically 80 percent state grants and 20 percent local share

Project Description

The purpose of the Port Development Assistance Program is to expedite the movement of commodities and passengers on the commercial navigation system; enhance the commercial vessel construction and repair industry in Minnesota; and promote economic development in and around ports and harbors in the state. (Source M.S. Sec. 457A.2).

The bond request will be used to complete \$10 million of the listed project proposals. Project proposals are prioritized based on need, employment generated and overall economic benefit. MnDOT’s Office of Freight and Commercial Vehicle Operations, working with the state’s port authorities, have identified a list of potential terminal improvement projects for 2012 and beyond:

Red Wing Port Authority
Bulkhead Wall Rehabilitation \$300,000

St Paul Port Authority
BT # 1—Rehab Port Authority Buildings \$3,000,000
Storm Water Management 1,000,000
Replace Railroad Crossing 100,000
Red Rock & Southport
Rehab dock walls at both locations 2,000,000

Winona
Salt Storage Warehouse 1,000,000

Duluth Seaway Port Authority
Replace dock timbers at berths 4, 5, 6 and 7 \$500,000
Transit Shed
Modernize electric service to code 250,000
Replace of update fork lifts 250,000
Repave storage yard/access roadways 750,000
Construct Security Guard Houses 50,000
East Warehouse Building
Construct 100,000 sq ft warehouse 6,000,000
Maintenance Building 51
Rehabilitate roof 50,000
Garfield Dock C and D 22,500,000

Total all Port needs \$37,750,000

Impact on Agency Operating Budgets (Facilities Notes)

The funding of this program will have no impact on department operating budgets.

Port Development Assistance

Previous Appropriations for this Project

The Minnesota Legislature has previously appropriated the following:

1996	\$3.0 million general obligation bonds
1998	\$3.0 million general obligation bonds
1998	\$1.5 million general funds
2000	\$2.0 million general funds
2001	\$1.0 million general funds
2003	\$2.0 million general obligation bonds
2005	\$2.0 million general obligation bonds
2006	\$3.0 million general obligation bonds
2008	\$0.5 million general funds
2009	\$3.0 million general obligation bonds
2011	\$3.0 million general obligation bonds

Total state appropriations to date are \$24 million.

Other Considerations

Port Development funds can be used with federal and local dollars to complete projects that benefit a port. An example of this is the rehabilitation of Port Terminal Drive in Duluth. Federal and city funds were used with Port Development funds to complete a total road project that would not have been possible without this partnership.

Project Contact Person

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Governor's Recommendations (To be completed by MMB at a later date)

High Speed Rail Corridor State Match

2012 STATE APPROPRIATION REQUEST: \$50,000,000

AGENCY PROJECT PRIORITY: 13 of 13

PROJECT LOCATION:

Project At A Glance

M.S. Sec. 174.632 charges the Minnesota Department of Transportation with planning, designing, developing and constructing passenger rail services. The adopted 2010 Minnesota Statewide Freight and Passenger Rail Plan further directs MnDOT to lead the development of passenger rail services and to coordinate with Midwest Regional Rail Initiative states in the development of a multi-state passenger rail system in the Upper Midwest. This activity provides these products, services and/or functions to implement the elements identified in the State Rail Plan.

Project Description

To provide non-federal matching funds for implementation of passenger rail service along several corridors in the state and connecting Minnesota to the upper Midwest. These corridors include the Northern Lights Express service to Duluth, Twin Cities to Milwaukee High Speed rail service, and development of other corridors identified in the 2010 State Rail plan including the Rochester Zip Line. Improvements in the Twin Cities Metropolitan area to reduce current bottlenecks in the freight rail system add needed capacity to allow for seamless integration of passenger rail service in the freight rail environment. Provide a capital resource for potential expansion of the existing conventional intercity passenger rail service to Chicago.

Impact on Agency Operating Budgets (Facilities Notes)

Passenger rail planning and project development activities are funded through general fund appropriations and eligible specific corridor project management activities are funded through G.O. Bonds as allowed for in Laws 2009, chapter 93, article 1, section 11, subdivision 5, as amended.

Additional resources will need to be identified for increasing project management and federal grant management responsibilities.

Previous Appropriations for this Project

The Passenger Rail Office is funded through a biennial general fund appropriation from the legislature. For FY 2009-2010 the biennial appropriation was \$1 million. The legislature appropriated \$26 million in General Obligation Bonds for state match of federal passenger rail program development funds in 2009, Laws Ch. 93, Sect. 11, Subd. 5.

Other Considerations

As of July 1, 2010 over \$16 million in 2009 G.O. Bond funds have been obligated and it is anticipated that the remaining \$10 million will be obligated by the end of FY 2012. Additional bonding will be necessary to continue to apply for federal high speed rail development funding.

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Governor's Recommendations (To be completed by MMB at a later date)